


SPECIAL FOCUS: MARKETING & COMMUNICATIONS

A portrait of Chris Schermer, a man with short brown hair, wearing a brown suit jacket, a white shirt, and a striped tie. He is smiling and looking slightly to the right of the camera. The background is a blurred office setting with a stone wall and some framed items.

Chris Schermer, a partner at Schermer Kuehl Marketing, says marketers must make creative use of available media to connect with potential as well as current customers.

Keeping It Fresh

New Realities are driving marketing communications.

In both consumer and business-to-business (B2B) marketing, effective communication means foregoing distributing mass messages to mass audiences. Instead, using technology to create individualized content, marketing messages can be focused to specific groups of people to inform, educate, or compel their intended audience to act.

According to research by the Interpublic Group, a global conglomerate of advertising, public relations, and marketing firms, sweeping changes in the political, economic, technological, and social arenas have shaped consumer behavior and the ways in which companies influence that behavior.

“[Effective marketing is] not about approaching individual consumers from a demographic perspective, but how the product or

service is relevant to individuals,” says Julie Hurbanis, a senior vice president of consumer products in the Twin Cities office of Weber Shandwick public relations, an Interpublic Group company. Hurbanis suggests that developments in digital technology play a large role in driving successful marketing efforts. “Overall, technological advances give consumers the tools to tune out,” she says, giving as examples do-not-call lists and TiVo.

“The onslaught of digitization and the ability to use digital printing on demand has allowed marketers to target audiences and market to a niche,” says Tom Schaeppi, president of TM Marketing Group, a marketing services firm in St. Louis Park that develops B2B and consumer campaigns. “The elements that haven’t changed are first getting individuals’ attention and then getting

By Marcia Jedd

PHOTOGRAPH BY BILL KELLEY

them to react to something.”

Given the onslaught of media vehicles today, from Wi-Fi-equipped personal digital assistants (PDAs) in the boardroom to electronic display ads in public restrooms, sheer information overload is driving the trend of individualized, customized marketing. “Consumers are saturated with the amount of information they have access to. They want help to streamline decision-making,” says Rachael Marret, senior vice president and director of strategy for Zentropy Partners in Minneapolis, an interactive marketing firm and Interpublic company.

Steve Wehrenberg, executive vice president and director of strategic planning for Campbell Mithun advertising in Minneapolis, another Interpublic company, adds, “Consumers are overwhelmed with choices. Studies show that when you give consumers fewer choices, they are more apt to make a decision.”

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Several years ago, consumer research indicated that General Motors’ (GM) Web site dispensed too much information. Many consumers reported being overwhelmed by the site’s content, and complained that it wasn’t sufficiently organized to direct them to make a purchase.

The company hired Zentropy Partners to streamline the site to appeal to a wider variety of consumers. In the revamped site, “Consumers can select a model, color, and options to actually locate and price a car,” Marret says. The site also allows consumers to qualify for financing and arrange purchase of their vehicle at a local dealer with a simple click-through process.

Atomized Individual

With its emphasis on personalization, the GM Web site is a textbook example of what Interpublic Group researchers call the atomized individual—separate and distinct from the mass.

Information in marketing messages

must be relevant to the individual, Marret says. “When you collect customer data, you collect information *for* customers, not *about* them,” she says. “There must be a value exchange. You ask them to give information so you can provide them with relevance and convenience.”

Scott Litman, former president of Connect@JWT, a Minneapolis-based digital marketing communications firm, a division of J. Walter Thompson (JWT) advertising agency, says, “To consumers and business audiences, relevancy is the biggest issue. It’s everything from receiving unsolicited e-mail that’s relevant to the frustration that comes with logging onto the Web site of a bank or airline and being unable to get questions answered, so you go to the phone anyway.”

Litman describes a Web site created by Connect@JWT for the U.S. Marine Corps. “About five years ago, [the Marines’] utilization of its Web and interactivity was minimal,” he says “We created an interactive Web site, interactive CDs to be given out at events, and buy-ins to the media that appeal to 18- to 24-year old males such as the NCAA March Madness basketball tournaments.” The campaign also included banner ads that appealed to potential recruits and traditional television ads.

The objective, Litman says, was to drive audiences to the Marines’ Web site, where visitors could choose from a variety of information designed to appeal to recruits, officers, advisers, parents, teachers, or former Marines. “We use all of our interactive tools to convey the message to individuals,” he says. “We’ve found that potential candidates really immerse themselves at the site to learn about what it is to be a Ma-



Julie Hurbanis, senior vice president of consumer products in the Twin Cities office of Weber Shandwick.

rine.” Some 40 percent of Marine recruits now interact with the Web site, compared with 5 percent previously.

Customer-Managed Relationship

Armed with the ability to tune out annoying telemarketers, delete e-mail spam, or toss junk mail, customers are able to control how they receive marketing messages. The relationship between buyer and seller becomes somewhat customer-

managed. Customers dictate the rules of engagement.

In 2002, audiences from a range of demographics flocked to Internet commer-

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cial ads disguised as short digital films made by leading directors but sponsored by BMW. The aim of BMW was to shape

brand awareness by conveying a sense of the experience of driving a BMW. The purpose of the ads was to sell BMWs, but their effectiveness was because people had to seek out the films, which were orchestrated by Minneapolis-based Fallon advertising.

“Sneak up on them and delight them. That’s the axiom for the customer-managed market,” says Martha Burnett, managing director at Jack Morton Worldwide, an event and ex-



Scott Litman, former president of Connect@JWT, a division of J. Walter Thompson.

periential marketing company with offices in Bloomington, and an Interpublic company.

In a customer-managed world, marketers use innovation in sponsorships and product placements to entertain, educate, or otherwise inform audiences about the brand. "Heavy investment in mass-media advertising bludgeoned the consumer into submission. Now people are shutting down on those kinds of messages. They don't necessarily want to engage in the brand," Wehrenberg explains. "That's why you are seeing these [sponsorship] trends. We're looking at how we can sneak branded messages into the marketing mix."

Burnett illustrates the customer-managed relationship by describing an event orchestrated by Jack Morton Worldwide, in which an apartment was replicated in the lobby of a Home Depot store in midtown Manhattan. Two actors played a couple moving into the apartment while it was under construction, and performed a series of projects on the space including painting, plastering, as well as installing light fixtures, wood floors, and tile. The objective, Burnett says, was to provide an experience that could be fun and interesting, while at the same time, relevant to the consumer.

The Home Depot event dovetailed with the retailer's extensive offering of how-to videos and project management features on its Web site. In-store kiosks at the Manhattan store enabled customers to print step-by-step instructions for certain projects and a shopping list of necessary materials.

B2B marketers are hardly immune to the pressures faced by consumer products marketers. "We're doing more integrated campaigns than ever before because it's harder than ever to reach the customer," says Chris Schermer, director of client strategy at Schermer Kuehl, a B2B marketing communications firm in Minneapolis. He says that the pace of business and the ability of consumers to block some media have made it difficult to reach people. "You can't rely on just one tactic. It might be direct mail and a trade publication ad, but traditional [marketing communications] tactics must be integrated," Schermer says.

Schermer adds that as a result of media

available today including CDs, Web blasts and newsletters, e-mails, and print ads, media planning and measuring results require a high level of sophistication in marketing techniques.

"A direct mail campaign might get about a half of 1 percent response and a banner ad gets less than a half of 1 percent click-through rate, so when combined, you achieve a much better return on invest-

ment," he says.

Customer-managed relationships have led to marketing methods in which a company's brand is present but barely visible. For instance, sponsors of educational seminars often market products subtly, such as mentions on seminar handouts. Case in point: a seminar sponsored by a software client of Schermer Kuehl wanted to market its content-management software to fi-

Advice From the Pros

Retooling your brand? First determine the human story you're telling in simple terms.

Employ your brand identity to your advantage by using symbols of your brand in communications. Whether you are looking to tweak or completely overhaul your marketing strategy or are pondering new markets, experts consulted for this article offered their advice to companies of all sizes.

Make sure every one of your brand vehicles, including your staff, delivers on the brand. Sometimes companies need help changing the behavior behind the brand. For instance, a poor phone presence can destroy someone's impression of a brand instantly. If that happens, you may need to implement fun and interesting staff training programs.

Martha Burnett
Jack Morton Worldwide

Don't rely solely on your CRM [customer relationship management] system. Really get to know your audiences and send fewer messages out to them. But get the message out using the right communication.

Scott Litman
Connect@JWT

Consumers want control. Recognize what that control is, and highlight how your product or service is relevant to them.

Julie Hurbanis
Weber Shandwick

Think like the customer. Unless it's relevant, don't bring your product or service to market as a reflection of how your company is organized. [Many first-generation corporate Web sites did this in the 1990s.]

Rachel Marret
Zentropy Partners

Keep messages clear and consistent [that's especially true for smaller companies]. Get the consistency of your ad message in taglines. Examine your advertising and make sure there's a stream of continuity throughout.

Tom Schaeppi
TM Marketing Group

Branding used to be thought of as a corporate asset, guarded over the years. Its position has become a little more fluid now. Allow your brand to react to market opportunities and pressures without drastically changing it.

Chris Schermer
Schermer Kuehl

The marketing side must pay attention to the operational side, down to the level of greetings by salespeople. Remember that HR policies influence the culture of the company.

Steve Wehrenberg
Campbell Mithun

—M. J.

Relevancy and personalization are easier to achieve on the B2B side, because you are working with a known distributor or a known entity. You can build a relationship around the account information.

financial executives. “The company teamed with a risk-management company to sponsor compliance seminars held in six U.S. cities,” Schermer says. As a result of subtle marketing through a number of online and print venues, the sponsors realized a notably high response rate of 7 percent.

Consideration Economy

A new wealth of widely available and reliable information has turned customers into more savvy buyers. Subsequently, customers are near-experts on products they want to buy, seek education and spend unprecedented amounts of time considering a purchase.

The consideration economy—in which buyers purchase as a result of research, not impulse—is thriving in the B2B realm. “The consideration economy trend is seen in companies that are developing services around their products,” Schermer says. He observes that smart companies start a customer relationship before any transaction is developed and learn how to stand out in commoditized industries. For example, a contract manufacturer of electronic components offers free consulting in the form of design engineering to assist customers in product design. In doing so, the company is able to justify charging higher prices for its products.

Litman says the marketer’s task is considerably easier if the seller is not trying to woo a relatively unknown consumer. “Relevancy and personalization are easier to achieve on the B2B side, because you are working with a known distributor or a known entity. You can build a relationship around the account information,” he says.

Being reliable and forthcoming is extremely important, Wehrenberg says.

“People want the most trustworthy information. They don’t want hidden charges and fees. It’s [important to be] transparent in how you charge for [products and services].”

Marret points out that some companies have done well at taking on “infomediary” and advisory roles. Purina Pet Care Company, for example, offers extensive information to consumers and veterinarians about pet health and nutrition. H&R Block promotes a range of online tools and information, including virtual consulting with a tax adviser.

Microsoft recently staffed demonstration

stations, located in high-traffic airport terminals around the country, and showed consumers how to use its new Tablet PC. The response was so positive that additional demonstrations were staged at lower-traffic airports and office buildings in New York and Chicago. The campaign ultimately put the mini-PCs in the hands of more than 125,000 business travelers.

Last year, Andersen Windows of Bayport, Minnesota, teamed with a magazine group owned by media giant Time Warner to design and build a 6,300-square-foot high-tech home in Park City, Utah, constructed primarily from wood, stone, and glass.

A variety of state-of-the-art windows are featured in the two-story home, includ-

ing those that double as computer monitors and televisions through microfiber LCD screens. The home features an open layout, designed from “wall plans,” not floor plans, to showcase windows in a most novel but aesthetically pleasing way.

“The strategy behind the home is [to showcase] the ability to express personal design through the beauty of Andersen Windows,” Wehrenberg says. “The marketing efforts successfully reached both consumers and the building trade community.”

Campbell Mithun, the advertising agency of record for Andersen Windows, worked closely with Weber Shandwick and Zentropy Partners on the project, as well as Time Warner agents. “Some of the Time Warner magazines featured branded content. People could go watch the home being built,” he says.

The project was launched to coincide with the 2004 Sundance Film Festival in Utah so attendees could tour the home. (Earlier this year, the home was listed on the market for \$3.75 million.)

There is no disputing that today’s marketers go to great lengths to integrate marketing communications into a plan that will deliver key messages on an opt-in basis.

Integrated marketing communications require the coordination of promotions and other marketing efforts to ensure the maximum informational and persuasive impact reaches the desired group of consumers.

Schaepi concludes that no matter the level of technology inherent in marketing today, the human element must be present. “Be perceptive to the market and understand your client. It’s a matter of understanding the product as well as the customer and then connecting the two,” he says. ■

Marcia Jedd is a Minneapolis freelance writer and contributor to Twin Cities Business Monthly.



Rachael Marret, senior vice president and director of strategy, Zentropy Partners.



Tom Schaepi, president of TM Marketing Group, believes technology allows marketers to target to a niche.