

## A new Holy Trinity?

When I co-founded i-merge\* about 10 years ago the word “merge” reflected the emerging mix between the old stand-alone TV-screen and the networked PC-screens. It’s getting more and clear that nowadays the merge with the highest ROI for brands is about another Holy Trinity. More mobile than desktop or laptop. More out-of-home than at home. More “people networked with people” then networked to things.

The Holy Trinity: mobile, point of sale and social networks. A merge with probably more far reaching consequences for marketing and advertising than the previous one that started only 10 years ago. The merge anno 2008 is also a further and more fundamental shift away from *above the line* to what is still called *below the line*.

### Facebook

Let me tell you a story. The last couple of days I’ve been experimenting with an ad on Facebook-China for a new brand we’re launching within a few months. After less than a week I had 150,000 impressions. *[ I consider these impressions as nothing more than opportunities to be seen ]*. You’re of course not sure at all that anyone has actually seen your ad. Luckily I only paid US\$ 60 for these impressions. That’s a cheap price and a nice story for any mediaplanner to tell and to sell to his clients: ‘You don’t know whether it works, but it doesn’t cost a fortune either. So let’s do it.’ The old model we all know so well when we started in the ad-business, sells only “opportunities to be seen” since back then we could not measure the outcome i.e. the results of the time and space we bought.

Next you tell them the 2nd part of the planning story. Which is this: for these US\$ 60 I had 200 people who clicked on the ad. Maybe then the mass media addicted marketing manager will say “Only 200?”. And he will probably not buy since he’s thinking “reach”. And 200 that’s not reach – according to his old textbooks.

What will happen when you tell him the 3<sup>rd</sup> part: that out of these 200 interested people 16 asked for their 2 free tickets to visit an exhibition where we will show what the new products could look

like? The mass media addict will get nervous: “Only 16?”

You will maybe be able to calm him down when you tell them that each lead of about US\$ 4 could become an actual sales of US\$ 100 – 200 – 500 or even 1000. And if you add to your pro domo sales pitch that maybe 1 of the 16 leads is a potential evangelist of the product we sell and that she will probably recommend us to many of her art loving friends and that in the end the value of that person (selling while telling) will be maybe US\$ 300 – 600 – 1500 – 3000 or even more. Eventually it becomes a nice story for any brand: from “vague opportunities to be seen” to “concrete opportunities to be bought”.

What a richness of data you get nowadays. A richness we could never achieve in the ancient era with non-digital-non-interactive media. Take TV for example. The TV-data could tell you that at a given moment there were 1 mio or 100 mio “viewers” in the neighbourhood of their TV when the commercial block started. Can they tell more? Hardly. Maybe the so called viewers were sleeping, kissing, pissing or playing games while your spot was aired. Who could tell you? Nobody. In earlier days you were not even interested in that ad avoiding phenomenon since you were only paying (a lot) for ( a lot of) opportunities to be seen.

I have to admit that with mass advertising you could and still can raise awareness. The bare bare minimum. When you’ve a new product (and have money) you even need temporarily this massive push. But when you’re an established brand only your existing customers will be positively reinforced by the commercial. Research has proven it over and over again.

What does this oversimplified comparison teaches us about the future of advertising? Wait and see. First read to the second story.

<b>Sharing and recommending.</b>
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I found this story in Clay Shirky’s speech he recently gave at a Web 2.0 conference and it triggered some other ideas about the future of advertising.

*This is what he reported: “I was having dinner with a group of friends about a month ago, and one of them was talking about sitting with his four-year-old daughter watching a DVD. And in the middle of the movie, apropos nothing, she jumps up off the couch and runs*

*around behind the screen. That seems like a cute moment. Maybe she's going back there to see if Dora is really back there or whatever. But that wasn't what she was doing. She started rooting around in the cables. And her dad said, "What you doing?" And she stuck her head out from behind the screen and said, "Looking for the mouse." Here's something four-year-olds know: a screen that ships without a mouse ships broken. Media that's targeted at you but doesn't include you may not be worth sitting still for. Those are things that make me believe that this is a one-way change. Because four year olds, (...) they just assume that media includes consuming, producing and sharing."*

Right. But the 4 year old girl is not an exception and not even the beginning of the turnaround we experience. I'm 55 and since my TV and radio don't have mice I dumped them too. Like the child of 4. Already in 1994 consumers started to produce and to share. That changed everything.

Why the hell do people "share"? Why are they writing blogs? Why are they writing comments on blogs? Why are they reviewing? Why do they share their opinions, their experiences? Because sharing is rewarding. You build up your reputation, your status as a thought leader.

Roger Dooley recently referred to a interesting study [http://blog.futurelab.net/2008/04/money\\_social\\_status\\_similar\\_in.html](http://blog.futurelab.net/2008/04/money_social_status_similar_in.html). *"The study, published in the April 24 issue of Neuron, is consistent with a long-held social psychological theory that people do nice things to others to gain a good reputation or social approval just like they work for salary. It may provide a pivotal step toward a neural explanation for people's everyday social behaviors. The researchers' study on 19 people showed that acquiring a good reputation sent reward-related brain areas, notably the striatum, into overdrive. Many of these areas were also activated when monetary rewards were offered, suggesting that the striatum processes the two in a similar manner. "Our findings indicate that the social reward of a good reputation in the eyes of others is processed in an anatomically and functionally similar manner to monetary rewards, and these results represent an essential step toward a complete neural understanding of human social behaviors," the researchers wrote. [From The Washington Post – Money, Praise Similarly Activate Brain's Reward Center.]*

That's probably what drives these social networkers and the networks. These networks link people to people. In these networks

everybody can consume, produce and share. Those who produce a lot and share a lot have a lot to tell and build a huge network of followers.

There are millions of interactions in these networks. Each of them influences our buying behavior. “We live in a world where the little things really do matter. Each encounter no matter how brief is a micro interaction which makes a deposit or withdrawal from our rational and emotional subconscious. The sum of these interactions and encounters adds up to how we feel about a particular product, brand or service. Little things. Feelings. They influence our everyday behaviors more than we realize.”[David Armano]

Look at what my proud friend Fons Tuinstra here in Shanghai published recently in his blogpost “40,000 unique visitors in April”:

*“ Traffic to the **China Herald** has been pretty stable over the past year, but this month I can report a small new record: for the first time over 40,000 unique internet users have been visiting this weblog.” [http://www.chinaherald.net]*

Influencers produce, share and are extremely happy when they’re followed by all kinds of herds. 1 million already started even twittering. They are uber-networkers.

### Herds and the irrationality of the buying process

Herds? We all know by now that behavior of human beings and the organizations we created (companies, nations, online communities) is highly irrational. We’re not so much driven by our intelligent individual choices but by the irresistible internal power of all the herds we created around us and to which we belong. Even if we deny them. Apparently we even don’t make these so called individual rational decisions. The group does. Mostly in a very irrational way. Often because some evangelists start spreading buzz about the inevitability of certain things that according to them will surely happen in the future. The large majority of us are followers.

We are also not that intensively anymore influenced by the old and new media in which brands still publish their ads. The “fors” and “againsts” for one or another brand are in balance – even in China– since they buy equal amount of time and space to format the consumers’ mind. We – poor creatures – remain in doubts even

after investigating all the details of both sides: still confused but at a higher level.

Not what you objectively “think” decides about what you buy but many other considerations lead you to BUY or NOT TO BUY. How you feel right at the moment you buy X, Y or Z – is an influencing factor. Or how you imagine you will feel when you use X, Y or Z. You also try to predict how you will feel when you don’t buy. Will you maybe regret it sooner or later when you don’t buy? *[It happened to me once again recently when I was too late to buy a painting in a gallery here in Shanghai].* And – maybe an even more important consideration – how you think the others will think about you when they discover you bought X, Y or Z. All these seemingly worthless considerations come together and the “ultimate decision taking” moment is only a blink. You cannot not take a decision. It’s binary: yes or no. You HAVE to act. You’re in the shop. In the bar. You have to move on.

Before the arrival of the web brands had an easy life. Consumers too. Those who could outspend their competitors were ultimately the winners. You bought mindshare (since you have the money to repeat, repeat and repeat) and hence you won marketshare. Mass media created herds that exposed nevertheless a more or less predictable mass behavior. Brands could almost plan what should happen.

That’s finished. No measureable effects anymore of adding more oil. It all boils and cooks. It all blurs. Nothing can draw our precious attention anymore. Consumers either don't see what you want them to see and although we're labeled “multitaskers”, our focus is on anything but your ad: news, games, chatting, dating are more important in life than sit and wait for things to appear on the screen ...or to disappear. We run away from the ad flood. Zillions of opportunities to see, to listen, to click remain untapped. They don't deliver the necessary return on your investment. Unless – completely unpredicted– you hit the target (brrrrrr) by accident at the right moment, at the right place (preferably where you can buy on the spot) with the right messages coming from the right source (which is usually not your ad, but a human being who praised or destroyed you: an influencer).

### The Holy Trinity

That’s why wise brands look very attentively at this upcoming mix of LOCATION , MOBILE and SOCIAL NETWORKS. Gradually a new Holy Trinity is being build.

**Paul Denlinger (like so many before him – me included) is referring to a part of this Holy Trinity in his article on why China Mobile should buy Baidu. He concludes: *“I expect that the mobile network will very soon become the “smart network” compared to the PC-based network, which will become the “dumb network” because it does not have location sensitivity”***

The web and more specifically “search” gave consumers a tremendous weapon. The power to decide when and how to look for something. The power to be able to interactively steer one’s own pre-sales behavior. The power to pull instead of being unwillingly pushed.

Next to that, all kinds of vertical and horizontal social networks (*and within these groups some user generated content on brands*) give him the power to find and trust other consumers with real experiences instead of often fake testimonials staged by brands. “Buy or don’t buy” – decisions are bred during real or virtual conversations among consumers who share their positive and negative experiences. Not by listening to brand monologues. Those who have had real experience (been there, done that) have a lot more persuasive power than those who only read about the brand attributes in an ad. These ads can still raise the awareness but it is more and more difficult to influence perceived perceptions. Consumers interact with each other about brands and influence each other’s perceptions. These brand – conversations don’t happen as often as marketers hope – but enough to be decisive. Move these mutually influencing social networks to the new mobile environment and the most influential medium (the human medium) is in my pocket ... close to my wallet. *“Social media is quickly becoming the preferred method of mass interpersonal communication, even destabilizing email’s role as the killer app for younger generations.”* (Joe Marchese)

Mark Earls (again) confirmed it too: *“Folk do what they see around them; believe what their peers do – whatever their individual brains tell them. Our attempts to exert 'exogenous' (extra-system) influence is always going to be much less important than the 'endogenous' (intra-system) factors that shape the propagation of an idea or behaviour through a population.”*

**By way of conclusion.**

It is highly predictable that communication about brands probably will have the highest ROI when some or all of these risk - reducing criteria are present:

- Is the message I receive (personalised) for me?
- When this targeted message reaches me am I looking for something like that? Is the time right?
- Am I in the mood to screen a brand shortlist without interrupting other more interesting stuff I was doing?
- Do I have immediate access to trusted reviews and recommendations of experienced people I trust to take an immediate decision to buy/pay?
- Can I instantly search all the abovementioned data through my wireless digital tool at arm's length at the place where I am and where I could buy?
- Am I indeed able to buy immediately - given the time and place?
- And does the brand give me a compelling reason to buy now.

Given all that, a new emerging mix is slowly becoming the ultimate Holy Trinity for brands to gamble upon:

1. mobile devices (to search, to watch video, to IM and with eventually mobile payment included)
2. interactive POS material (Bluetooth and RFID included and hence linked on the spot to your mobile)
3. strongly developed instantly accessible social networks (with mobile IM application) in which people influence each other mutually

I hope I'm not wrong ☺

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*\* i-merge Europe was rebranded into Boondoggle a year ago. Visit my partners at <[www.boondoggle.eu](http://www.boondoggle.eu)> There were many reasons we decided to do that. But there were even more reasons to keep the i-merge name in China. After all China is an emerging country isn't it.*