

How the New Internet Is Transforming the Way Marketers Communicate with Customers

Seven trends that are making marketing more customer-friendly

By Mary Sullivan

Over the last five years the marketer's stock of customer communication tools has changed dramatically. In early 2002, when KickStart Alliance formed, mass marketing was still the dominant marketing style, and advertising was a big-budget luxury done through print and television. However the Internet was changing the terrain. Email marketing had become the hot new vehicle for lead generation and search engine optimization was kicking into high gear. Websites were still online brochures.

A lot has changed in five years. Email is still important for marketers but anti-spam legislation made it essential that emails go only to parties who had established a connection with the seller. Making your website findable via web search has evolved and matured. Business websites can now be interactive and entertaining. And advertising appears in every media, on any device. A new generation of customers embraces – no, demands – being marketed to *their* way.

Seven trends are reshaping the way marketers communicate with customers:

- 1. Long tail marketing** – With the ability of customers to search and find vendors who have what they want, mass marketing is slipping away. Not only a consumer-marketing phenomenon, long-tail* marketing allows many companies to profitably run niche businesses in markets where location is no longer a limiting factor.

My forecast: Traditional mass marketers will try to expand into the niches, giving small niche players a competitive run. Smaller companies will succeed when they provide more personalized service than the big guys.

- 2. Opt-In databases** – As a result of anti-spam legislation and the proliferation of spam filtering software, opt-in databases have become essential marketing tools. E-mailings are acceptable to contacts you make at events, to those who have responded to a direct mailer, or people who fill out forms on your website.

My forecast: Marketing companies that specialize in integrated marketing and understand how to build highly relevant marketing databases will be valued allies of every savvy marketer.

- 3. Online customer communities** – Customers are eager to use social websites provided by their vendors. Online customer communities give customers a voice, and smart companies are listening. An adjunct to customer advisory boards, user groups and focus groups, online communities provide marketers with market insights they never had before. Forums create community and sharing of best practices within the customer base.

My forecast: Businesses that encourage their customers and the public to enter a relevant dialog about products and services will take market share from companies that would rather not hear the voice of the customer.

- 4. Viral marketing** – Much discussed, rarely used effectively, viral marketing is every marketer's dream. It is simply coming up with something incredibly interesting that can be shared online, and letting people send it to their friends. Some call it "word-of-mouth". Robert Scoble, noted former Microsoft blogger, calls it the "doubling effect". If

doubling happens ten times, the concept has reached over 1,000 people, at no extra cost.

My forecast: Chip and Dan Heath's Made to Stick will become a marketing classic. Followers who understand how to create ideas that others want to share again and again will be in high demand in marketing organizations.

- 5. Web 2.0** – Business websites are using Rich Internet Applications to enhance visual presentation of information. They are offering customers and visitors interactive user experiences. Information and entertainment are transposable, especially on consumer-focused sites. More customers visit the site (because it's viral, too), stay longer, and return more often. Brands are built.

My forecast: Providing a rich customer experience on a business site will become the standard, and businesses that retain static sites will lose revenue and market share positions.

- 6. Customer-centric messaging** – Knowledgeable marketers are learning to communicate in the “customer space” instead of the “vendor space”. Instead of talking about product attributes as benefits (our flat panel saves space) they're acknowledging customer's needs or desires (a clean-looking office). In doing so, they are interesting, engaging and motivating customers to buy.

My forecast: The two-way communication being established in online customer communities will give product management and marketing insights into the perspectives of their customers and would-be customers, whether B2B or B2C, that will change the nature of marketing communications.

- 7. Internet advertising** – With media content migrating from print and broadcast to the Internet, advertising is following. And the PC isn't the only device where advertisements can appear. Mobile users are starting to see paid placement ads on their mobile devices. Location-based businesses are beginning to reach out to consumers based on their GPS location or RFID. The long tail isn't just based on customers' special interests but also, temporally, on place.

My forecast: Customers will eventually become saturated with mobile advertising as they have with telemarketing and spam. Mobile devices will get the equivalent of pop-up blockers, and legislation may limit the push of unwanted advertising.

No doubt the next wave of innovations such as the “semantic web”, or whatever Web 3.0 will be, will create still newer approaches for marketers that we can't envision now in 2007. But you can be assured that customers will be the winners. They will have access to more of what they've been looking for, and will indeed be marketed to their way!

* The phrase “long tail” refers to the traditional bell curve in statistics, where the big bulge in the middle accounts for the majority of the sample, while the long tail on the side represents “outliers” that don't fit the norm. Long-tail marketing is the opposite of mass-marketing which aims communications at the bulge. Long-tail marketing lets businesses reach the outliers.

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