

# Screen Gems

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From social networks to widgets to in-store television — digital media are both changing the way we live and the way we shop. Whether the medium is Facebook, the iPhone or Wal-Mart TV, the opportunity to make the cash register ring — anytime, anywhere — is greater than ever before.

Where should we take this opportunity? What are the opportunities to use these media to not only sell more stuff, but also build relationships? What must we understand about the way shoppers use these media to better serve their needs and reach our goals?

Last March, Active International's Retail Marketing division, in collaboration with the *Hub Magazine*, convened an invitation-only summit in New York City to examine these questions. About 100 marketing and media executives attended the daylong event, held at the Omni Berkshire Hotel, to listen, share and debate the ways in which digital media are changing the face of retail.

Our agenda centered on the three major emerging trends in digital communications — social networks, mobile media and digital media networks. We invited three experts in each area: Mike Linton, former CMO of eBay and Best Buy; Jim Hood, co-founder of HipCricket and former CMO of Einstein Bros. Bagels; and Andy Austin of EWI Worldwide and former director of customer experience for AT&T Stores.

Following are edited excerpts of what each had to say.

#### **Mike Linton: Social Media**

Every brand wants to build a community, but communities only develop for a reason. You can

enable a community, but you cannot will it into existence. A lot of businesses just aren't going to have the energy and the consumer interest required to develop a vibrant community.

The eBay community grew up around eBay; and eBay did a great job facilitating the exchange among members. It grew up because people were trading ideas on how to use and improve eBay and were willing to help each other to make the marketplace better.

That community grew up around the product and members of the community actually became product experts. It was a community that helped itself grow, and eBay listened to their suggestions and facilitated that quite well.

**The convergence of digital media at retail is re-defining the shopping experience.**

Facebook is also a community, but the community and the social interaction among members is the product. When marketers see Facebook, or other sites like it, they see huge numbers of consumers sharing their interests and announcing who they are. These consumers self-identify and can share opinions, recommendations and information in real time with all of their friends.

Every brand wants to share their product launch news or hot deals with likely buyers. But just because you want connections to those consumers,

doesn't make it so. Just like brands want the same recognition that Nike has with the swoosh and Target has with the bulls eye, we all want a strong, positive community around our business. What a great way to create intimacy and dialog and source ideas from passionate customers.

However, it is clear consumers don't have an unlimited amount of passion and time to support a community for every brand they use. The key question is: "Will consumers join and support a community for your brand?" Even if they will, they might not want to be "sold" or merchandised in their personal space.

I think each brand will need to find its own way, but the social utility potential and the benefits of a truly passionate community are tremendous for the brands that figure it out.

I'm guessing a lot of people who want results from social networks aren't active users. That's like arguing over a circular but never having looked at one. Active use will help you evolve the traditional marketing ROI train of thought.

Lord knows, the last thing you want, particularly as a CMO, is the head of Sales or the CFO telling you what should happen on social networking without having experienced social networking personally.

I would encourage everyone to join Facebook, Twitter and other sites. Invite some friends, play some games, and see what happens. See if you contribute actively to the communities you join, or are just a passive observer, and pay attention to the ads.

Consider the ability to target messaging and experiment with interactions between friends in real time. Update your status, send a tweet, state an opinion and share a link. See if your community of friends responds.

Without any hands-on experience, you might end up looking at social networking and community as a pure transaction model, which won't help you, your company or your community.

If you enter social networking with the same metrics you're using for a Sunday circular, you are fooling yourself and doomed to an early exit. Consumers won't exhibit the same behaviors in this medium. But that doesn't mean it isn't working for you.

One of the easiest mistakes to make is to think your community will evolve like it would if you were in control just like a basic marketing program. It won't. It will grow up and do whatever it wants.

It might start talking about your business or your motives in a way you don't like and you can't just turn it off like you can close down a marketing campaign.

My theory is that there's no bad media, just bad pricing and the incorrect media for your individual brand. I recommend experimenting to understand where your brand can go. Just because it's a cool medium doesn't mean you should be in it. If it's a good medium for the brand, figure out what it's worth to you.

In the end, your consumers will tell you what works for them, providing you can find a way to hear them. There's no universal answer and a big risk in standing pat and not experimenting.

On the flip side, there's a risk in thinking you know what you're doing and trying to skip the learning steps required to understand your brand and consumer base in the social spaces. It is definitely best to experiment, test and expand as quickly as makes sense for your situation.

#### **Jim Hood: Mobile Phones**

Mobile phones are changing shopping and shopping behavior in just about in every way you could think of. Mobile phone marketing is really just a logical extension of the awareness-interest-action continuum. It gives people the next step—a place to get more information, a place to go, to try, join up, get a sample. So, I often think of it as tagging on strategically to a marketing effort that's already there.

Shoppers are using mobile phones to ask for information, get a sample, join a club or be one of the first 100 to do something. They're getting a coupon or incentive. While there's a branding component, there's usually an action component, as well. In many regards it's just basic marketing stuff, but it's brought to you through the ever-present mobile phone.

More often than not, shoppers or consumers are going to be closer to a purchase decision with a cell phone in their pockets than when they're just watching TV, listening to the radio or sitting at their desktop computer. Almost by definition, you're closer to a purchase decision if the mobile phone is your primary communication device.

There are some very pedestrian examples of how this can work, such as Jiffy Lube, which is hardly a high-tech business, but a big radio advertiser. They've started regularly tagging the end of their radio spots with a chance to text to get a free oil change. One in a thousand might get a free oil change, but everybody

gets a coupon for some type of automotive service.

Every time Jiffy Lube does this, they find that the redemption rates — and in particular the new customer conversion rates — are higher than any other call-to-action that they would use. So, if you're already running radio spots, there's no incremental media cost, but you get the response in the marketplace.

For text messaging, by the way, there's a lot of compatibility with radio. But a restaurant could run a radio commercial about texting in for today's special, which can be changed every day because it's really very quick and easy to change the offer that you get, as opposed to changing the TV or radio commercial copy every day.

I've seen applications designed to allow customers to announce their presence. We've done this a few times at Disney where people go to a park, and can literally log in and send a text message that simply says, "I'm here." They've opted in for messages that will tell them about things that are going on around the park, which restaurants aren't particularly busy, or where the lines for attractions are relatively short.

The customer feedback on that has been very good. That's pre-GPS, too — you don't even need to know where people are except that they're in the park. We've also done that with malls, where you can opt to receive messages from stores in that mall that are relevant to you that day. Some of these examples may seem ordinary but that's a good thing because not everything has to be an extraordinarily sexy idea.

One of the Nestle waters did a tie in with Universal Parks. Most of the messaging was right on the shelf, but you could text in to win a day at Universal. Research afterwards showed higher awareness and favorability levels, a lift in purchase and in intended re-purchase. This resulted just by asking people to take out the mobile phone and start the dialog.

Virtually all mobile campaigns have to work within the broader campaign strategy. Most are not standalone efforts. At Einstein Bros. Bagels, the medium was flat-screen TVs in our restaurants. Advertisers support the TVs, so there's no cost to the retailer to install the signs. The screens also carry advertising about our products. So, in the morning we were telling people about lunch offers and in the afternoon we were promoting breakfast deals.

As I left the company, we were developing programs that would let customers know that they could text a code to get a buy-one-get-one deal for

lunch anytime that week or the next week. We also knew the purchase cycle of how often these people came in. So, if we knew they came in once every ten days, we could offer a promotion good for seven days, and get an incremental visit. Essentially, we got that message to them for free.

These screens can be very customized. You can allow guests to send messages to other guests. You can have local traffic and ski reports, and the sixth grade music teacher can put up a digital notice that the class is staging a play that night, for example. For restaurants trying to create a community feeling, having that neighborhood aspect of community events can be very effective.

Within the last year, Einstein started celebrating employees and "customers of the month" on a regional basis. All of those do-good things are celebrated on the screens. As we get smarter, the system has the functionality to do almost anything we can think of to get up on those screens, and also link them to mobile phones.

#### **Andy Austin: Digital Signage**

When I joined Cingular, eight years ago, it was a challenged retail layout that was made up of the conglomeration of 13 regional cell phone carriers. So, we had all different kinds of store layouts with slatwalls, these weird easels that we mounted brochures on.

And, of course, we had the same challenges other retailers had, with 24-year-old part-time salespeople who aren't career-oriented. You all remember where cellphones were eight years ago, when it was really a voice-centric device, and not a lot of other services. But we wanted to sell text messaging and things like that because we actually could bill for that back then, which is not the case now.

Over those eight years, there were a lot of milestones, and the biggest one was when Cingular acquired AT&T Wireless and we launched the RAZR. That was a big deal for us because it gave us something that people were coming to our stores for — an iconic device.

So, we changed our stores from these hodge-podge locations and tried to move into a vehicle for brand loyalty, where customers could come and fall in love with what Cingular stood for.

Fast forward to two years ago, where AT&T absorbed Cingular into its umbrella and we did the re-branding. I had the opportunity to lead the physical

re-branding for our vast dealer network of retail stores from Cingular to AT&T. We needed to take what was a wireless phone store and convert it into a communications store.

We were going back to the old phone store model. We had to sell dialtone, long distance, DISH Network, TV services and all of those kinds of things. That's where we came up with the concept of the "Experience Store," which we first launched in Houston.

It totally shifted us from selling cell phones to selling a network connectivity concept. That's when we really launched a campaign around the idea that you could be part of the AT&T family. We launched all these new products on our 3G network, but they were very challenging to sell. One example is an exclusive product called Videoshare, which has the capability to have a two-way voice conversation, but a one-way video conversation.

So, you could be in the mall, having a voice conversation with your mom, while showing her the outfits that you're trying on, for example. That was very difficult to bring to life in the confines of a retail environment. So we came up with a concept called "Salesperson Karaoke."

This was a concept where salespeople were using digital signage and other interactive kiosks in our stores to show people using things like Videoshare. We totally changed the paradigm of how our sales people sold, and allowed technology and video to deliver the product attributes.

We moved our sales people from product experts—which is what we needed to be when we launched the RAZR—into empathetic, brand ambassadors.

We really believed—and this is a long evolution—that when someone wants to fall in love with a brand, that a retail location is one of the many ways to do that. So, at the last three feet, the moment-of-truth, when they're going to make that purchase, and fall in love with the brand and be excited about what their experience will be—a brand connection rather than a product connection.

That's exactly what I try to achieve when working with brands. To merchants, it might look like a retail opportunity to sell more or improve metrics like willingness to recommend. But when we peel back the layers of the onion and investigate that a shopper is really a human being who has a basic desire to want to fall in love with a brand, that retail opportunity turns into so much more. The payoff is exponential.

## BRINGING IT ALL TOGETHER

Mike Linton, Jim Hood and Andy Austin each made it abundantly clear that the convergence of social media, mobile and interactive retail is presenting marketers and retailers with some truly innovative opportunities to connect with shoppers on a higher emotional level at retail.

While there has been a great deal of effort and progress to date on how we mine for retail insights, turning those insights into meaningful action has been an on-going dilemma. However, just as certainly, there's an opportunity to carve out a space that combines what shoppers love about shopping online and in physical stores.

Given how folks are forming communities online, as they continue to look for new ways to use their mobile phones as their everyday lifeline—and how they are responding to interactive technologies at retail—I think we can seamlessly blend all these screens into a new kind of retail experience.

This would be an experience that for the retailer truly inspires, delivers a higher level of engagement, can simplify while customizing based on each individual shopper's needs and motivations. For the shopper, it would be a truly energizing shopping experience that delivers real time responsiveness and an enhanced level of customer satisfaction and personal interaction.

After many conversations with brand marketers, retailers and media companies, it's clear to me that creating a new kind of retail experience that bridges digital and traditional retail is not only doable, it is almost here.

Hurdles and challenges remain, but it is now possible to allow brands and retailers to play with these media and see just how far we can take their shoppers' experience.

The exciting part is that the shopper will be a critical partner in this process and will tell us what success looks like. ■



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