



Marketing in a Flat World

By Sonia Weston

In *The World is Flat*, Thomas L. Friedman argues that technological advances, the removal of economic and political obstructions, and the rapid introduction of millions of young Chinese, Indian, and East European professionals into the world economy have dramatically leveled, or “flattened,” the global playing field. The amount and availability of information is growing exponentially. This has resulted in new customer expectations, brands and distribution channels.

Customers can learn more about available products and services than ever before. At the same time, new technologies enable companies to offer customized products and service to an ever-growing number of customer segments. The product and service options available to customers have doubled or even tripled. The amount of information can be overwhelming.

Intense competition and hunger for growth have pushed today's companies to develop technology-driven communication and

supply chain innovations. Moreover, distribution channels such as the Internet, product resellers, big-box retailers, and third-party telesales providers have become critical access points to customers. The increasing number of channel choices further fragments their sales efforts while escalating the potential for channel conflict. What does this mean for publishing companies? All of these developments are forcing publishers to restructure their marketing efforts. The explosion of customer segments, products, media vehicles, and distribution channels has made marketing more complex and costly. Traditional marketing methods are losing effectiveness, so it is necessary to learn how to identify and focus on the right customer segments and to serve them with fewer brands. This means assessing how far technologies can take your company in customizing products and communications while remaining profitable.

Today's brand leaders succeed because they understand the new rules of branding and play by them. Knowing the new rules can help both newcomers and incumbents build or revive their brands – and do so faster than ever before.

The New Rules of Marketing

Many publishers continue to rely on outbound channels such as direct mail, telemarketing, inserts, and catalogs to reach consumers. More recently, they have increased their use of lower-cost outbound channels, like e-mail, to accomplish their goals. However, for most this has been an incremental “band aid” approach to improving their marketing. To the extent that they rely mostly on the traditional outbound channels, they are becoming less and less successful.

The problem with traditional outbound marketing channels and even e-mail is that they use “interruption-based marketing” (a term Seth Godin used in his book, *Permission Marketing*). These marketing campaigns are only effective if they interrupt whatever the customer is doing at the time to gain his attention. Today's world has such a glut of information and demands on consumer attention that the typical customer would rather ignore all marketing

messages than sift through the onslaught to find the relevant ones.

In contrast, to succeed, publishers must do the following:

1. Increase inbound marketing. Make greater use of inbound customer contacts as a channel to present offers. Shift your focus to inbound marketing – the process of delivering cross-sell, up-sell or loyalty offers – when the customer initiates an interaction over channels such as the call center, website, point-of-sale, etc.

Unlike outbound marketing channels, inbound interactions occur through the permission of the customer. The three key items missing from outbound marketing – the customer's time, permission, and attention – are by nature given during the inbound interaction. The result is an uncluttered interaction with the customer, leading to more effective marketing. We also know from experience that inbound marketing has a much higher response rate than outbound marketing. Such impressive results are possible only when offers are timely and relevant.

2. Improve outbound marketing efforts. We know that it is simply not reasonable to just wait for customers; look for direct ways to stimulate activity. The key is getting

smarter about how we use outbound channels.

One-time marketing campaigns are unconnected. By nature they interrupt the customers with an offer for a product that may meet their needs—without taking the context into account. Instead, identify key customer activities and life events, and then develop holistic, event-driven campaigns with timely, relevant, and personalized messages. Birthdays, marriages, births, promotions, and graduations are important events in a customer’s life, as are significant financial transactions, new purchases, key church events and repeated complaints. Customers first “buy into” the event, and then choose related products and services. The added advantage to marketers is that customers self-select. Publishers must invest in their capabilities to sense when a customer is most open to receiving an appropriate marketing message.

3. Create a seamless conversation with customers across the entire buying lifecycle.

Coordinate programs and offers across the full spectrum of channels, inbound and outbound. Ensure every customer interaction builds on the last one, to enhance and expand the customer relationship, creating a higher level of loyalty and profitability. This

means understanding every stage of the customer lifecycle, following customer preferences and behaviors, and then determining when and how the customer should receive each message.

Focus on the customer, not the channel.

Customers don’t distinguish a business by its various communication channels. Whether interacting through the mail, a website, or with a call center representative or sales agent, the customer views the business as a single coordinated entity

4. Target the right customers.

Customer analysis, segmentation, and customer-oriented strategies need to become part of every business function. Spend less time managing individual programs and more time planning around customer lifecycles. Marketing budgets need to be managed by customer segment, not by channel or media.

Rethinking brand portfolios, tackling channel migration, and developing new marketing paradigms are some of the main challenges that today’s trends pose for marketers. But success with the new rules of marketing does not have to be elusive.

5. Create a marketing plan.

Decide which customers you can serve best and most profitably. Identify key opportunities (including life events) to

communicate with each customer.
Determine how to act on those opportunities: choose the right communication and product channels matched to appropriate event marketing. Then, implement your plan. Get everyone involved.

The process doesn't have to be cumbersome. Five-year plans and novel-length documents are not required. The logic of the action is what is important. By applying the basic marketing process, rather

than a tactic here and a technique there, your chances of success skyrocket.

Call-out:

Technology has transformed science fiction into science fact, and our visions into reality.

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