

Marketing in a new era:

the customer is in control!

by Doug Knorr

Late last year, the Association of National Advertisers created a “List of 10 Ways Marketing Will Be Transformed in 2007.”

Number One was: “Consumer in Control.” It predicted that marketers will abandon their historic “command and control” model of brand building in favor of a truly interactive dialogue with consumers.

Recognizing that consumers now have the power to control how, when and where they interact with advertisers and retailers, marketers will need to “radically reinvent their approaches, putting the consumer in the driver’s seat and unleashing a tsunami of interactive branding campaigns across all media forms.”

Today, successful marketing demands creative strategies and

systems that allow consumers the control they demand.

Therefore, in this article, we will discuss the need to:

- Better understand the changing consumer
- Understand how your store is being perceived and affected by the changing consumer
- Define how your advertising can create a stronger relationship with your existing customers, as well as engage and persuade potential new customers to make you their store of preference

Too many retailers are still following old advertising strategies — telling the consumer when to shop and what the conditions of the sale will be. Financing offers, minimum purchase to receive coupon

How is your store being affected by the changing consumer?

discounts, and so on, are vital. However, we continue to see diminishing returns on these advertising investments.

The old paradigm that the consumer is ready and eager to abide by what the retailer tells them they will like, no longer exists! We must define new ways to reach and interact with these new consumers. We are not talking about revolution. Rather, this is an evolution of a natural marketing process that follows consumer habits and wants.

Best-selling books like *Who Moved My Cheese?* and *Waiting for Your Cat to Bark?* clearly present the facts about the new consumer. Online social networking and blogs are changing the way you do business.

For example, when an online community blog included the news that a furniture store was opening a store in a new town, it received such comments as:

"Here...he started about 15 years ago and has grown to about 10 stores. Sells junk. I give the man his due, he is a marketing guru."

"...we bought couches from ... Great price. After two years, they are in the basement and look horrible."

Wow! The retailer never had a chance with the interested consumers who read that.

Remember the old rule-of-thumb that said a customer with a good experience told three people, but someone with a bad experience told 10? Now it's more likely that the person with a bad experience will go online to tell hundreds or thousands about their experience.

The penalty today is greater than ever before for *not* doing something right!

Now that we understand how the consumer has changed, the question remains: "How is your store being affected by this changing consumer?"

Consider this: Bain & Company research has found in business after business, "60 percent to 80 percent of customers who defect to a competitor said they were satisfied or very satisfied on the survey just prior to their defection."

In other words, consumer loyalty is virtually non-existent.

Without the slightest hint, a customer will silently slip away, and you will have no idea why. Worse yet, the customer might not tell you, but may be willing to discuss his or her experience, good or bad, with the entire world!

In *Waiting for Your Cat to Bark?*, the Eisenberg brothers contend that today's consumer behaves more like a cat — aloof, indifferent and self indulgent, than "man's best friend," a loyal dog. A cat is not out to please you. It's all about them!

And here's how the changing consumer is affecting your store:

- Consumer response to limited-time sales events is weaker.
- The process of creating loyal customers rests on your shoulders, not theirs. You can no longer take any customer loyalty for granted, even if someone has shopped you for many years.
- You must clearly identify your store's brand promise (or unique selling proposition) and empow-

er your employees, your merchandiser and your advertising/marketing people to support that promise at every level of your business, and every point of contact with your customers.

Now, how do you market to this new consumer who demands control?

Today, you must make your brand message “relative.” The consumer needs to understand *why* he or she should be interested in developing an ongoing dialog and relationship with your store. If your message is not relevant to the consumer, if your message doesn’t scratch his or her particular itch, you will be ignored.

I’m fond of saying in my branding seminars that what you want is for your customer to visit your competition and then come running back to you saying, “Nobody understands me the way you do!” That proves you have related to the consumer, and you have gained a loyal customer!

So, how should you go about gleaning the information you need? One of the ways we go about doing this is through our system called Knorr-Select™, which scans thousands of blogs. Blogs tell it like it is today. And the upsetting truth is that the consumer is more likely to trust an online stranger with a blog than you or your store employees.

In the late 1990s, I heard it said, “The Internet is the new dial tone.” If that’s true, then I propose to you today that blogs are the new “Party Line.” And they are powerful. They are the new platform for third-party testimonials.

Now, if you are too young to remember party lines, imagine several households on the same phone line. At any given time, any one of them could “listen in” to someone else’s conversation — quite enlightening (or embarrassing). Today, you need to “listen in” and pay attention to what consumers are saying on the new party line — blogs.

For example, we know of a family that blogged online about their predisposition to spend about \$20,000 for home furnishings at a specific retail store.

Other consumers responded to that blog, convincing the family to investigate three other retail stores. In fact, because of the advice received from others responding to the blog, the family never visited their initial store choice!

This phenomenon isn’t new. Word-of-mouth has always been perhaps the single strongest persuasive medium. But while it might have taken days, months or years to learn about someone else’s experience or opinion through traditional communications channels, blogs make it possible to learn about the experiences or opinions of dozens of people, or hundreds of them, in minutes.

It takes a strong offense to compete with this kind of blogging. First, focus on understanding what information is relevant to consumers in a particular market; then you can go about connecting emerging media such as the Internet with traditional media.

While retailers are pushing out advertising messages, consumers are pulling in information to make buying decisions. Today’s winning strategy is to bring these two paradigms together.

Start by freely and openly presenting information about your store, its merchandise and the buying experience it provides to the consumer in a meaningful way. Focus on your website, where the consumer is empowered 24/7 to research merchandise and receive impressions about you, your customer service and shopping experience — AND begin to interact with you.

Start providing relevant information that resonates with the consumers and answers their questions. This information needs to be transparent and easily found by the consumer, because relevant information without transparency is like buried treasure. If the consumer can’t find an answer to a question, he or she will simply click away and go elsewhere.

How do you do this successfully? First, recognize that providing relevant information is no easy task. The Knorr-Select software

Today’s successful marketing strategy involves:

- Knowing what your customer wants and how he or she really feels.
- Defining what your customer is saying about your industry, your products, your store and your competitors’ stores.
- Defining what your customer is looking for and what’s important to him or her in the buying process.
- Defining what words and phrases your customer is using in the buying process and what questions he or she is asking. You may be talking “motion furniture” while your customer is talking “recline and relax.”

tool we use to scan blogs helps us give retailers a better understanding of how consumers in various regions feel about stores, products and buying experiences.

Information from blogs also helps us create rich content for our retail clients that is relative to the consumer. And content that is relative to the consumer's viewpoint suggests to the consumer that you:

- Understand how the consumer feels
- Represent a viable resource or solution for the consumer's needs
- Once the relative content is defined, you can construct a brand message and integrate it into all media.

With this done, you are ready to connect with the consumer so you can initiate an interactive, ongoing dialogue between the consumer and your business.

To facilitate this for our clients, we employ proprietary Knorr-Connect™ software, which

allows them to conduct ongoing discussions with customers — including surveys, special timed offers, event invitations and cross-selling opportunities. This allows customers to ask questions about products or information they are seeking, as well as schedule personal shopping appointments online.

For example, a recent campaign we conducted for a home furnishings retailer consisted of a direct mailing offer to their customer database. The mailing piece gave each recipient directions to a personalized website that welcomed the customer by name and offered downloadable, printable coupons for extra in-store savings. This allowed the retailer to collect the email addresses of interested consumers and begin an ongoing dialogue in a meaningful way.


Using this system, the retailer also could research how many mail recipients asked for coupons, how much time recipients spent on a personalized website or the retailer's website, and how many asked questions or registered for events.

In summary, successful marketing today consists of:

- Stopping the “control and command” strategies
- Listening and learning by spending time one-on-one with consumers and on blog sites to understand what the consumer is saying about you (but won't tell you)
- Opening an ongoing dialog with your consumer
- Embracing change and the merging of traditional media with the Internet

I know that change is difficult, especially to those who are not comfortable with newer technologies and the role that the Internet now plays in our society.

Remember we are not talking about revolutionary ideas. We are talking about a natural evolution that follows how the consumer wants to interact with you in this changing retail environment.

I will close with one final imperative: “If the rate of external change exceeds the rate of internal change, disaster is imminent!” Embrace change and make it work for you! 

Doug Knorr, president of Knorr Marketing, has 18 years of experience in retail home furnishings marketing and is a frequent speaker at National Home Furnishings Association seminars. For more information, visit: www.knorrmarketing.com.

