



New Strategy for Enterprise Competitiveness

**Christopher S. Rollyson and Associates**

Strategy | Marketing | Innovation | Knowledge | Technology

# **Web 2.0 Adoption in Q4 2008: Golden Opportunity for Marketers**

**Chicago American Marketing Association**

**25 September 2008**

# Agenda

## *What to understand and what to do: Web 2.0 & Marketing 2.0*

- The context for Marketing 2.0
  - The digitization of word of mouth drives marketing transformation
  - The double value proposition
- Marketing 2.0 in practice
  - Digital models, past and present
  - Integrating marketing, Web 2.0 style
  - Marketing 2.0 examples: the voice of the customer
- Marketing 2.0 roadmap
  - The big picture
  - Know your Web 2.0 ecosystem
  - Assess your organization's capabilities

# Background: Chris Rollyson, 20 Years of Experience with Enterprise Transformation

- Human capital: people
  - Coached executives to thrive on economic changes
- Technology: the Internet and enterprise software
  - Leading role in launching Java as an enterprise solution
  - One of the Midwest's first corporate Internet businesses
- Business process: e-business and knowledge
  - Corporate change agent at Big Four consultancy
    - Built websites, intranets and extranets to change business processes
  - Principal and subject matter expert at (another) Big Four consultancy
    - Led strategy engagements with auto, energy, CPG, financial services and others on creating the “real-time enterprise”
    - Business strategy for start-ups: transform industries with innovation
- Marketing & relationship: consumer empowerment
  - Customer-led communications revolution: what creates value and how
  - Globalization of colleagues and customers: P2P technology, relationships
  - What will stay the same, what will change



# The Context for Marketing 2.0: Definitions and Drivers

- Web 2.0
  - Blogs, wikis, social tagging, RSS, mashups, pod/videocasts
  - Social networking: creating/maintaining relationships digitally
- Marketing 2.0
  - Apply Web 2.0 to marketing and customer relationships
  - Adapt tools that were developed in the consumer context
- Why you should care: Marketing 2.0's double value proposition
  - Costs: sharply reduces communication and administration cost
  - Revenue: increases innovation, customer stickiness, brand

## Marketers' choice

### Proactive

Be a hero:  
champion process,  
headset and  
culture changes

**vs.**

### Reactive

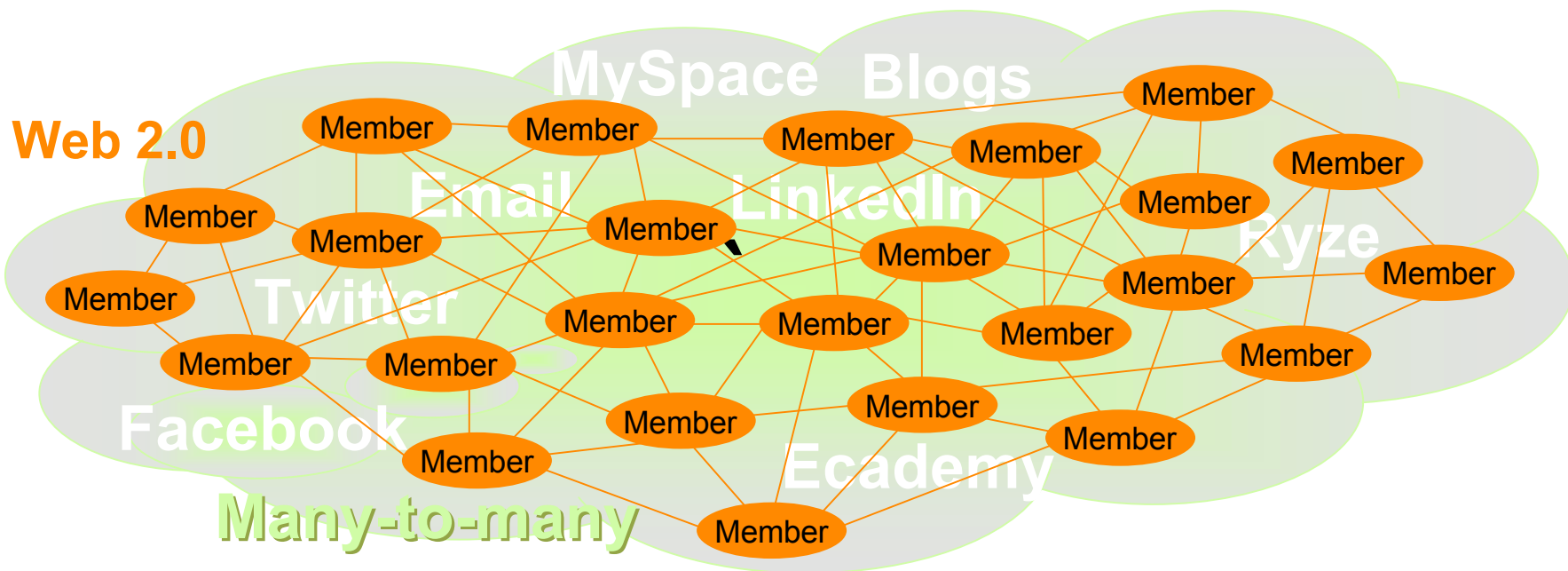
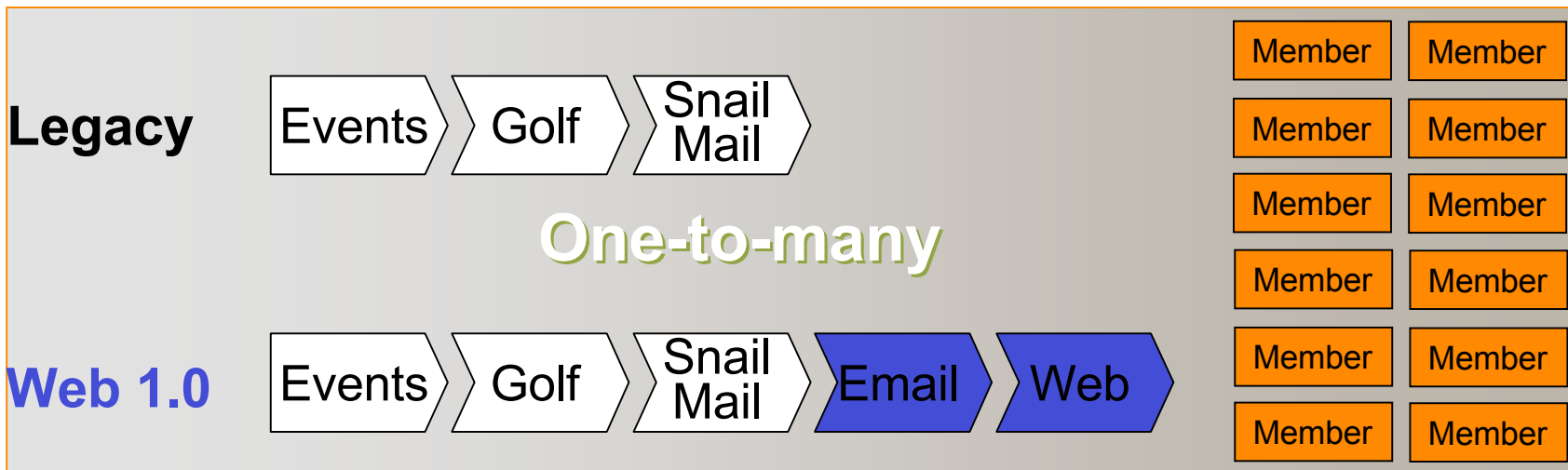
Respond to  
disruptive requests  
that will increase in  
next 1-3 years

# The Context for Marketing 2.0: How Customer Content is Changing Relationships

- User-generated content/distribution
  - Individuals' collective voices now rival enterprises and governments
  - Large organizations are losing control over information about their reputations, offerings and performances
- Organizations must develop new sensibilities and processes
  - Interact with people about a far wider range of topics than ever
- Individuals gaining impact on buying decisions
  - This will also mean voting decisions

The Facebook logo, consisting of the word "facebook" in white lowercase letters on a blue rectangular background.The Technorati logo, featuring a green speech bubble icon with a white 'e' inside, followed by the word "Technorati" in white on a green rectangular background.The YouTube logo, with the word "You" in black and "Tube" in white on a red rounded rectangle.The LinkedIn logo, with the word "Linked" in black and "in" in white on a blue rounded square.The Twitter logo, with the word "twitter" in white lowercase letters on a light blue rounded rectangle.The Myspace logo, featuring a white icon of three people and the text "myspace.com" in white, with "a place for friends" in smaller white text below it, all on a dark blue rectangular background.

# The Context for Marketing 2.0: From One-to-Many to Many-to-Many



# Digital Models, Past and Present



# 1.0

# 2.0



- Attract and retain on your site
- Company/product emphasis
- Focus on experience on the site

- Increase relevance by syndicating content in—and linking off your site
- Experience emphasis
- Focus on experience in the ecosystem

**The Customer Workstream Orientation**

# Integrated Web 2.0 Campaigns: Syndicating Content





# Marketing 2.0 Examples: Mayo Clinic



## Marketing 2.0 highlights

- Facebook page enables anyone in the community to share experiences
- Anyone may friend or fan Mayo
- Podcasts of physicians discussing diseases and conditions

## Key insights

- Focused on superlative experience and word of mouth
- Employee sharing can invite customers
- Repurposing content is a powerful motivator
- Small chunks of content are easy to share

*“This is a new reality and one way that people are communicating now and in the future. We need to be present.”*

– Lee Aase, Manager  
Syndications and Social  
Media

# Marketing 2.0 Examples: CDC



## Marketing 2.0 highlights

- Podcasting is easy to produce and for people to share
- eCards are simple, but can be viral
  - Have customers design/share (Threadless)
- Gaming can be very stimulating and educational
- Mobile is increasingly key

## Key insights

- Follow the usage and know your customers: data and trends
- Show how this meets your mission, connects with your business
- Start small and build

*“You have to be where the people are.. we want CDC content available whenever, wherever and however people want it.”*

– Janice Nall, National Center for Health Marketing

# Marketing 2.0 Examples: Wells Fargo

The Wells Fargo logo, consisting of the words "WELLS" and "FARGO" stacked vertically in a yellow, serif font, set against a red square background.

## Marketing 2.0 highlights

- A long-time online banking pioneer, Wells Fargo has been blazing the trail by assigning Web 2.0 to the front lines, customer-facing processes
- The bank's "hundreds of blogs" have become the most-read nonbanking pages on wells Fargo.com
- 2007 website redesign incorporates Web 2.0 features and content
- First bank with a business banking blog
- First bank with a Second Life presence and first bank on MySpace

## Key insights

- All bloggers are team members who have other full time jobs
- They add blogging - writing, posting, reading, replying - on top of those jobs
- Bloggers are not communications people

*"The updated Wells Fargo website takes a customer focused approach to ease access to most wanted features (and the bank has seen a 50% increase in online applications."*

– Paul Penrose, finextra

# Marketing 2.0 Examples: Dell



## Marketing 2.0 highlights

- External: Direct2Dell is currently a major driver in repositioning Dell in its customers' eyes
- Internal: blogs, wikis, RSS and Twitter enable motivated, passionate groups to emerge
  - People can find and energize each other
- People are Dell's secret sauce

## Key insights

- Dell is very ROI-driven, but it's off the table
  - Marketing 2.0 is supported by Michael Dell
  - Dell is leveraging it to win confidence back
- Most marketers aren't ready
  - D2D had 1.3 million members and many negative comments; Mehta was almost fired
  - Direct2Dell will be key in Dell's turnaround
- You must allow innovation to fail; if you're not taking risks, you're not innovating

*“Negative comments about Dell are falling significantly: even though we can't put a price on that, we know it's valuable. It was the right thing to do, and it's working.”*

– Manish Mehta, Vice President, Global e-Commerce, Dell

# Marketing 2.0 Examples: Playboy Enterprises



## Marketing 2.0 highlights

- Playboy on Second Life
  - Projecting the brand, a key strategy for Playboy
  - Understanding how virtual worlds will affect entertainment as a whole
- PlayboyU social networking site
  - Members must have ".edu" email addresses
  - Member content for Playboy Radio and TV
  - Embrace consumer content and integrate it

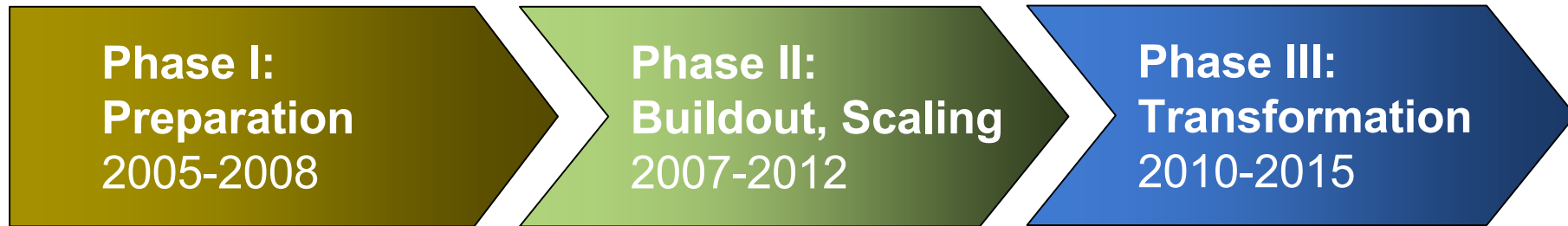
## Key insights

- Think holistically and break down silos
  - Some silos no longer serve customers
- Don't assume you know what customers want
  - PlayboyU is evolving based on customer input
  - Customers get mobilized when they know you listen
- Get in touch with your customers as people
  - Look beyond the product and the technology

*“Human impulses remain the same. Technology enables people to act on them differently. The technology may change, but the impulse is a constant.”*

– Christie Hefner, CEO

# 2008 Action Steps: Marketing 2.0 Adoption Roadmap



- Security/legal diligence
  - Study user experience
  - Learn from employees/ external thought leaders
  - Push wikis/blogs on customer-facing projects
  - Create Marketing 2.0 interest groups
  - Engage customers
  - Manage expectations
- Launch customer-centric ventures
    - Threadless
  - Fit with other processes
  - Visible partnerships with external customer-led businesses
  - Customers involved in innovation
    - Develop new offerings
    - Service offerings
- Sponsor customer-led business ventures
  - Customers lead innovation
    - Develop new businesses, offerings

**Customer-informed**

**Customer-involved**

**Customer-led**

# Rare Opportunity for Marketers: Conclusions



- Of all functions, marketing is most focused on customers
  - Marketers will get first crack at responding to changing expectations
  - But they must confront legacy thinking
- Customers prefer to learn from each other in many cases
  - Study after study shows that they often trust a group of strangers in a social network more than company representatives and experts
- Web 2.0 completely changes the context of marketing
  - It digitizes and actualizes word of mouth for the first time
  - Marketers that get it will produce unprecedented value
  - Marketing 1.0 will produce decreasing value
- Marketers can add more value in 2.0 when:
  - They jettison 1.0 “us and them” thinking
  - They openly collaborate with customers



## Thought Leadership: Papers and Reports



- Web 2.0's Impact on the 2008 Presidential Election
- 2007 Analysis and Breaking Opportunity for CMOs
- State of Social Networks and Web 2.0: Forrester Wrap
- Case Study: Delta Air Lines' Use of Web 2.0
- Case Study: P&G and Dell, New Model for Innovation
- Consumer Empowerment: A Rare Innovation Opportunity
- The Transformation of Advertising (and its ecosystem)
- The Impact of Mobility on B2B and B2C
- Rebooting Kraft: The Innovation Imperative
- Charting a New Course: Communicating in a Digital Age
- Enterprise 2.0: Game-changer for Investment Banks

<http://globalhumancapital.org/plugin/tag/cmo>



## Thought Leadership: More Offers & Cases



- The Social Network Roadmap: adopt Web 2.0 aggressively while mitigating risk
  - Web 2.0 Ecosystem Audit
  - Web 2.0 Readiness Assessment
  - Web 2.0 Program Design
  - <http://socialnetworkroadmap.com>
- The Executive's Guide to LinkedIn: changing the numbers around business relationships
  - Free LinkedIn Online Guide and monthly blog subscription
  - Seminars teach what 95% of LinkedIn members don't know
  - Entrepreneur & enterprise clients: apply LI to your business
  - <http://executivesguide-linkedin.com/>
- Healthcare Web 2.0 case study series
  - <http://tinyurl.com/4pzvvr>

## Thought Leadership: Contact Information



- Christopher S. Rollyson, Managing Director CSRA
  - Personal: <http://rollyson.net>
  - Journal: <http://globalhumancapital.org>
  - Consulting: <http://rollyson.net/consulting/>
  - Venture: <http://socialnetworkroadmap.com>
  - Venture: <http://executivesguide-linkedin.com>
  - LinkedIn: <http://www.linkedin.com/in/csrolllyson>
  - Facebook: <http://profile.to/csrolllyson>
  - Del.icio.us: <http://del.icio.us/csrolllyson>
  - Twitter: <http://twitter.com/csrolllyson>
  - Plurk, Pownce, Flickr, MySpace: csrolllyson
  - Email: [chris@rollyson.net](mailto:chris@rollyson.net)
  - Phone: +1.312.925.1549
  - Skype: csrolllyson