

Creatively Experiment For Secondary-Label Success

IMC - Montreal

February 18, 2010

Alex Tajirian



What This Presentation Will Do For You

- Demonstrate why you need creative experimentation
- Lay down a roadmap to creative experimentation
- List and explain lessons from past experiments
- Explain why secondary-label marketing is unique

Key Themes:

secondary label, conversations, creative experimentation

Your Goals. You Must:

- Understand customers and what matters
- Understand their preferred delivery medium
- Determine what problems you need to solve
- Analyze alternative solutions to the problems
- Start experiment
- Monitor experiments and adjust as needed

Understand Customers: Conversations

- What is a conversation?
 - A two-way communication with a common language

Understand Customers: Conversations (Cont'd)

- Why have conversations?
 - Your customers' instincts
 - Gravitate toward community memberships
 - Need to be assured you care before opening up
 - Web 2.0 tools
 - Enable communications within and across communities
 - Enable co-creating with customers

Thus, end of mass markets, mass media with limited arm's-length relationships

Understand Customers: Conversations (Cont'd)

- Where do you have a customer conversation?
 - Pull space
 - A site/hub/portal dedicated as a secondary label
 - Facebook, Twitter, etc.
 - A place located within the brand's main Web site
 - Push space
 - Self-organized communities independent of the brand

Understand Customers: Conversations (Cont'd)

- How do you have a customer conversation?
 - Show you care
 - Listen
 - Get them to talk
 - Learn
 - Provide the necessary tools
 - Creatively experiment

Creative Experimentation

- Hazards of prelaunch analysis of a site:
 - Estimating site impact on profits isn't easy
 - No clear roadmap of success and failure
- Solution: Creative experimentation
 - Choose an intelligent starting point
 - Have an exit strategy



Creative Experimentation (Cont'd)

- Ongoing analysis and its challenges
 - Tweak performance measures
 - Monitor performance
 - Adjust the experiment


Flop Examples



- Grand vision: An entertainment network/portal
- Prelaunch environment
- Rude awakening



Flop Examples (Cont'd)

-  (Cont'd)
 - Reasons for flop: Irrational exuberance
 - Wrong conversation language—top-down
 - Wrong starting point: analytical incompetence
 - What problem does a second label solve?
 - Nonusers oversaw video development
 - First-mover advantage was overestimated
 - Others' experiments success measures were flawed
 - No change in organizational structure
 - A closed system
 - Ignored Coke's failure

Flop Examples (Cont'd)

- **bad.tv** (Cont'd)
 - Why was a bad vision adopted?
 - Convincing messenger
 - Insignificant opposition
 - Flop in perspective
 - First-year cost was 30% over budget
 - Small percent of total marketing budget



Flop Examples (Cont'd)

- Wal-Mart
 - A social network for teens (The Hub)
 - A back-to-school effort
 - Lasted three months before moving to Facebook 😊

Success Examples

- LEGO (LegoFactory.com)
 - Success increases if emotional attachment is high
 - Provides tools to facilitate two-way conversations
 - Provides standardized tools for co-creation
 - Demonstrates they care

Success Examples (Cont'd)

- Owner's Lounge for Mini
 - Over six years old
 - Need: A centralized hub
 - Swap stories
 - Share information
 - Socialize

Current Experiments

- Verizon
 - A user-generated movie animation site (ActionHero)
 - Requires 24 hours before the movie is sent to user



Lessons

- We build it, they don't necessarily come
- Think beyond engagement and entertainment
- Find a measure of ongoing performance
- Communicate in their preferred language
- Experimentation must be disciplined
 - Choose an intelligent starting point
 - Have an exit strategy
- Visitor experience is important

Concluding Remarks

- Secondary label is unique
 - Pull space
 - A dedicated site
 - Creative experimentation

Concluding Remarks (Cont'd)

- Key Success factors
 - Conversations
 - Ask what is in it for them?
 - Ask what it in it for you?
 - Listen
 - Happy experimentation



Thank You!

Alex@DomainMart.com

Presentation available at <http://bit.ly/cMzB0n>