

The gap between consumers and corporations is as wide as the Grand Canyon, full of misunderstandings and opportunities that can be converted into big business.

This is Chapter 1 new book “ONE – A Consumer Revolution for Business.”

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Together we can fill the gap of Grand Canyon between what a company promise and consumers experiences.

Stefan Engeseth, Detective Marketing™

Author of ONE and editor of DetectiveMarketing.com

ONE

A Consumer Revolution for Business

Stefan Engeseth

CYAN



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First published in 2006 by:

Marshall Cavendish Business
An imprint of Marshall Cavendish International (Asia) Private Limited
A member of Times Publishing Limited
Times Centre, 1 New Industrial Road
Singapore 536196
T: +65 6213 9300
F: +65 6285 4871
E: te@sg.marshallcavendish.com
Online bookstore: www.marshallcavendish.com/genref

and

Cyan Communications Limited
119 Wardour Street
London W1F 0UW
United Kingdom
T: +44 (0)20 7565 6120
E: sales@cyanbooks.com
www.cyanbooks.com

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A CIP record for this book is available from the British Library

ISBN-13 978-981-261-809-2 (Asia and ANZ)
ISBN-10 981-261-809-0 (Asia and ANZ)
ISBN-13 978-1-904879-36-7 (Rest of world)
ISBN-10 1-904879-36-5 (Rest of world)

Designed and typeset by Curran Publishing Services, Norwich, UK
Printed and bound in Singapore

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Most of the corporate world is under the mistaken assumption that the only thing the customer can contribute to their companies is money.



This is how corporations such as Microsoft prefer consumers to enjoy their freedom of choice.

CONSUMER POWER VS COMPANIES

Millions of consumers are revolting against big corporations who won't let them think for themselves. Open source concepts such as Linux, built on a dialogue with the consumer rather than on a TV advertising monologue, can give mighty Microsoft a run for its money.

“Linux is a cancer.”

(Steve Ballmer, Microsoft, CEO)



Is consumer focus putting your ear on the tracks or your head?

Many CEOs I meet tell me they stay focused on the consumer by putting their ear to the tracks. This is good, but today the train goes faster and makes much less noise. The name of the fastest train is “consumer power” and there’s only a 50 percent chance that you are even looking in the right direction (the blind spot is big when you are far away from your consumers).

For those CEOs, the name of this book is

“To Be or Not to Be”



The brands and elite of the business world are today's aristocracy. Consumers have started to rise up and demand their fair share of what they have helped to create. This time the French revolution is a global consumer revolution.



Many anti-brands may soon be staring up the business end of a guillotine. The difference is that today's guillotine is much sharper and in the hands of mass media working with consumers and the Internet. Some heads have already rolled: Enron, WorldCom, Shell, and Exxon. Who's next?



Picture this: something is missing in today's business world. Could it be the consumer?



An artist called Banksy has repeatedly succeeded in smuggling in and hanging his own art at museums such as the Louvre in Paris, London's Tate Gallery, and New York's Museum of Modern Art. His success raises a central issue: why isn't the consumer part of the picture?

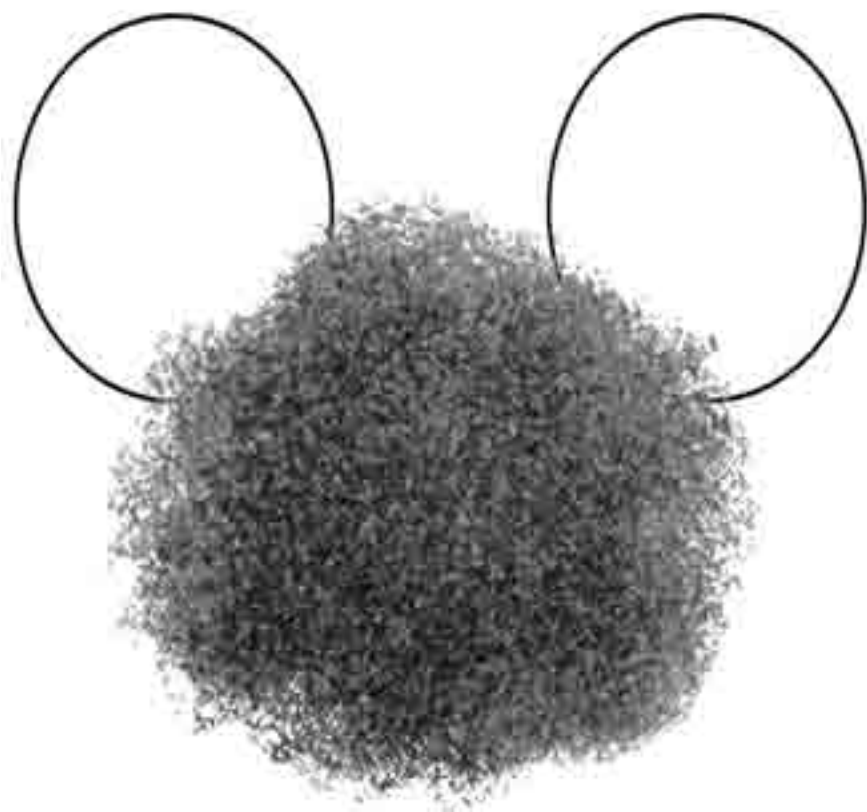


*Corporations often work behind closed doors
focusing on output rather than input.*

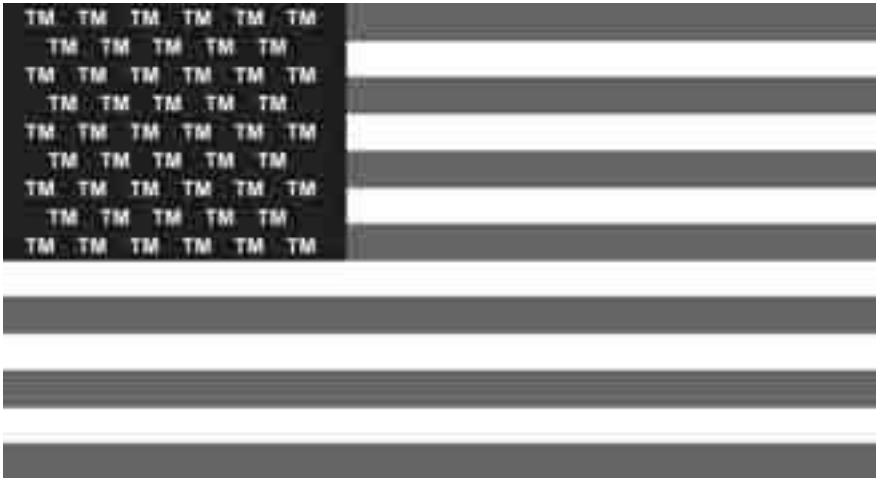


In the sixteenth century, customers gladly paid outrageous prices for mirrors because they put a high value on the privilege of being able to see themselves.

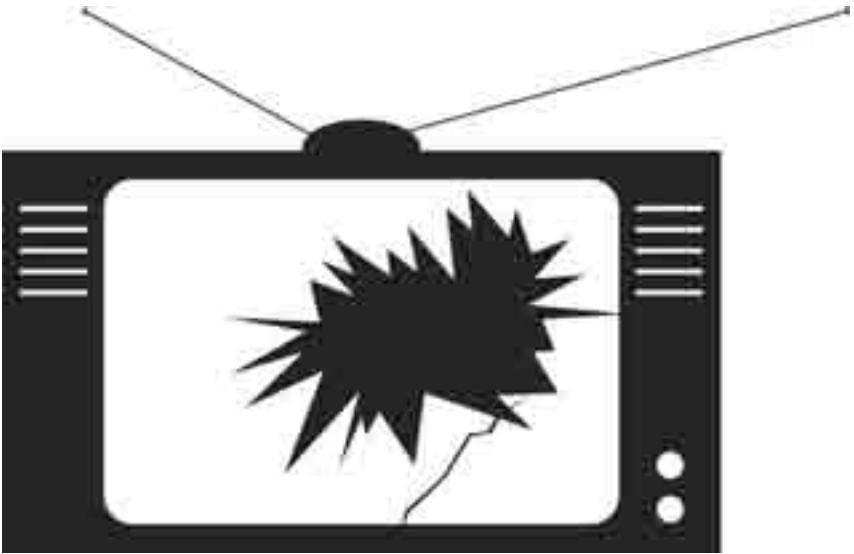
Can you see yourself in today's brands or products?



*You don't need to be Michael Moore to see
Mickey Mouse in the Bush.*



The mother's milk that once gave American brands such vitality has begun to sour. It's time to join the rest of the world.



Millions of consumers are taking matters into their own hands by literally turning off advertising. Digital technology such as TiVo is making it possible to remove commercials from the TV, while similar technology is making progress removing advertising, pop-ups, and spam on the web.



The computer has made it possible to barcode consumers. CRM and One-to-One was born with a whole new set of rules for today's marketers.

Consumers will not be reduced to 10110010101101011100.



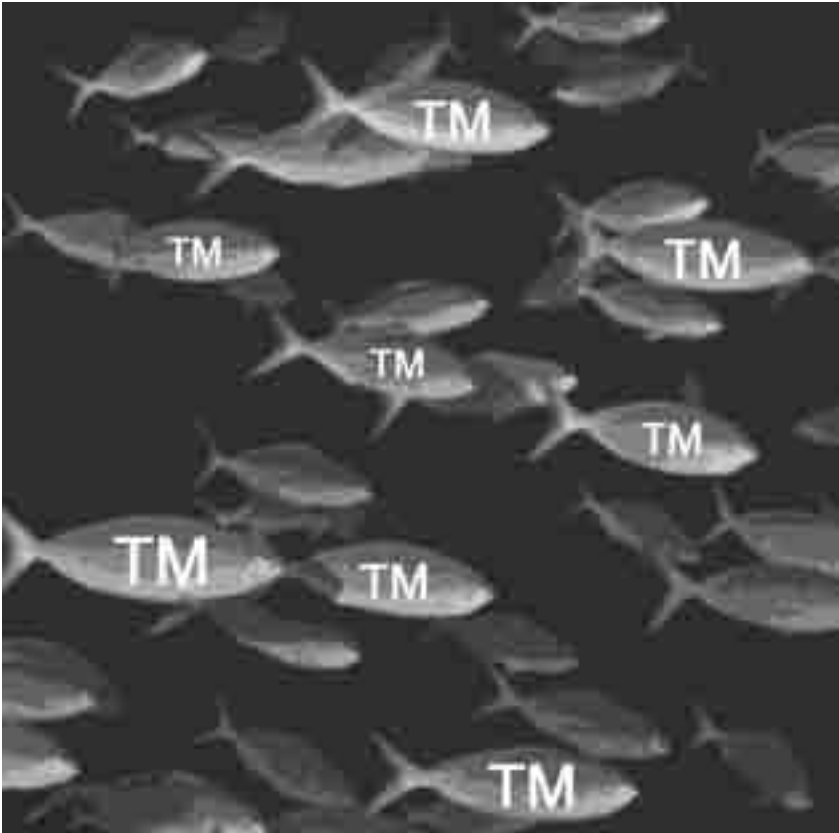
Some advertisers are in a panic to literally peek inside the head of the consumer. Lieberman Research Worldwide is doing just that: trying to map out subconscious preferences. They even have a term for it: “neuro-marketing.”

What’s next, a can opener?

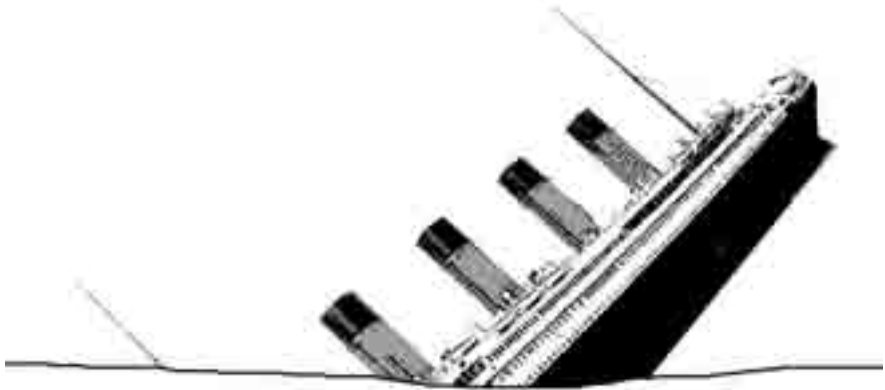


Others are trying to achieve top-of-mind in new ways. The English advertising agency Cunning Stunts Communications has developed a new advertising space: consumer's foreheads.

Some messages go into the head and other go onto it. Wouldn't be easier to work with the consumer from the start?



Small fishes swim together for safety. ONE shows how both corporations and their customers can swim together to prosper from the coming consumer revolution. Two examples of companies that swim well with their customers are Dell and eBay.



In today's transparent market, bad marketing can sink even the unsinkable Titanic company. Intel was close to going under because one consumer complained about its Pentium processor.

Consumer power has also become a major component in the increasingly sensitive stock market. Positive buzz and enthusiastic consumer support can raise stock prices. A few percentage points can mean billions of dollars for many companies.

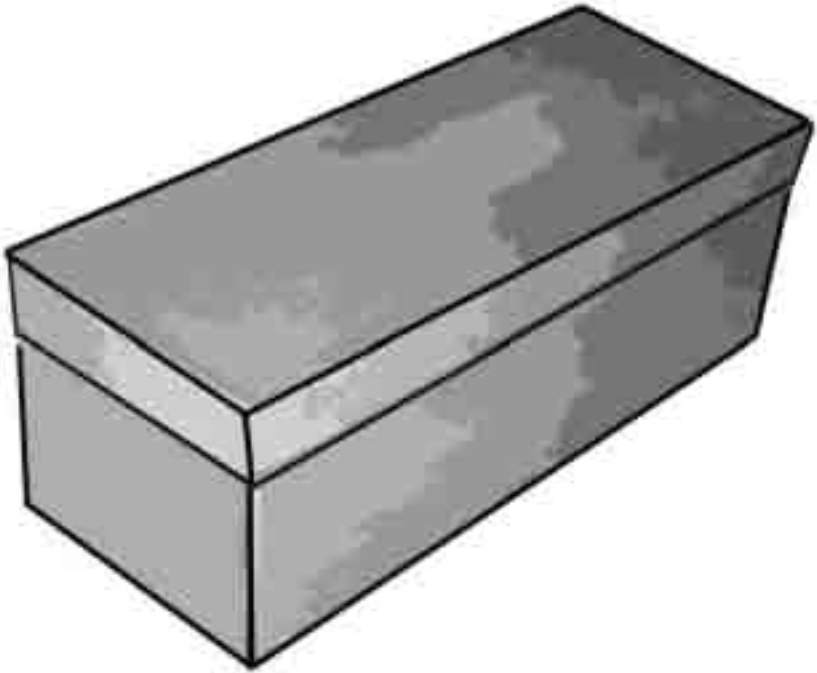


Once upon a time, a tractor maker named Ferruccio Lamborghini bought a Ferrari. He wasn't happy with the car and gave Ferrari a few tips on improving their product. Ferrari, however, was not about to take advice from a lowly tractor maker.



Instead, Ferruccio Lamborghini built his own little tractor that left Ferrari in the dust at 320 km an hour.

The moral of the story: if you don't learn from your customers you can lose them and your business.



Why does today's computer projector look like a shoebox?

Why do televisions have to be the size of 30 shoeboxes?



What if Apple made a projector that was really an apple?

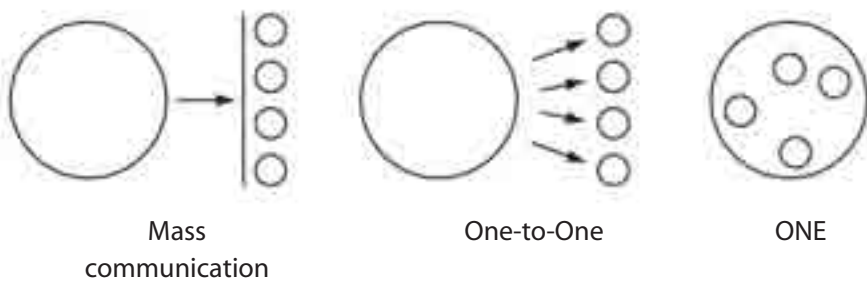
The iPod was a suggestion that came from a customer (Tony Fadell) outside of Apple.

Today, the iPod accounts for 49 percent of the company's sales.

Why not take in more ideas from outside, say about ten a day!



Harley-Davidson saw how customers were modifying its product by lengthening the front forks, for example. By learning from their customers, the company could begin creating products that consumers wanted.



Be ONE with the brand instead of number one on the market.

One-to-one creates distance in the form of “us and them.” You can see development from mass communication in the first figure, where the same message is broadcast to everyone. The next step takes us closer to the individual’s needs (one-to-one) where every relationship is more unique. The final mental step is to become one with the market and the customer.

ONE goes deeper than the communication: it encompasses everything from product development to corporate culture.

Praise for ONE

If corporations don't open the door to consumer power voluntarily, they'll soon be forced to. ONE is about keeping up with changing times.

(Dame Anita Roddick, Founder of The Body Shop)

Everybody talks about being customer-oriented, but Stefan Engeseth has taken the concept to a much higher level. ONE is the ultimate consumer book.

(Al Ries, author of *The 22 Immutable Laws of Marketing: The Origin of Brands*)

If you buy one business book this year, buy ONE.

(Stephen Brown, Professor, University of Ulster)

In our brave new opt-in, on-demand world, consumers possess ultimate control over how, when and what messages are received. Stefan Engeseth's provocative new book smartly explains how businesses can effectively tap into the consumer revolution – instead of being overthrown by it.

(O. Burtch Drake, President and CEO,
American Association of Advertising Agencies)

Using simple, yet thought-provoking examples, Stefan Engeseth manages to inspire both creativity and clear-sightedness.

(Claes Andreasson, former director of Absolut Akademi,
the ABSOLUT Company)

Today's consumer is not just a source of revenues – they are also your innovators, lobbyists, sounding boards and non-stop marketing machines. In his compelling book ONE, Stefan Engeseth shows you how to harness this new force – and succeed because of it.

(Frans Johansson, author of *The Medici Effect*)

Engeseth's latest book ONE once again makes us realize why the consumer is the king!

(Martin Lindstrom, branding consultant
and author of *Brand Child* and *Brand Sense*)

It's thought-provoking and inspiring. It's all about taking the Peppers' One-to-One philosophy a step forward. It's perfect common sense and he's given lucid examples of how the ONE approach works. When you read it, you feel guilty that you aren't doing it yet yourself.

(BrandRepublic.com)

Follow the ONE model and you may magically find that your staff start to enjoy

their work and your customers stay enthusiastically loyal to your products. A healthy dose of unorthodoxy never hurt anyone.

(Sarah McCartney, senior marketing consultant, editor of *Lush Times*)

The ONE idea is brilliant.

(Ola Feurst, PhD. Visiting Professor, Lingnan (Univ) College,
Sun Yat-Sen University)

The “future of advertising” is certainly vibrant and well with Stefan Engeseth’s ONE perceptive.

(Advertising Agencies Association of India (AAAI))

Stefan Engeseth has always been ahead of the curve with his books. In ONE, he stays ahead of a changing, more aware world. Marketers – indeed, all business people – risk being left behind if they don’t get with ONE.

(Jack Yan, CEO of Jack Yan & Associates)

ONE is a book that’s way ahead of its time – another triumph for Stefan.

(Andy Owen, CEO of Andy Owen & Associates)

ONE is the only way for marketing to go: without a close communion with customers, companies are just guessing what people want. If managers want a real dialogue, Engeseth’s book is an essential read.

(Nicholas Ind, author of *Living the Brand* and *Inspiration*)

Damn. Why didn’t I think of this?

(Simon Anholt, author of *Brand America*)

To become successful today it is important to encourage your customers to take part in the development of the company, to treat them with respect and to share the same values. If you can create an interactive dialogue with them that is open, giving and honest you will be rewarded with long-lasting customer relations and loyal ambassadors for your brand. ONE will inspire you how to do this.

(Rosie Kropp, Head of Customer Proposition, Vodafone)

Media is going to change and to embrace it we need to use a different language within a different architecture. ONE begins to do just that

(Ron de Pear, Chief Executive Continental Europe & Asia, billets Media Consulting. Former CIA Chairman International, J Walter Thompson.
Executive Vice President Media Worldwide)

Follow Coca-Cola's lead. Here are ten ideas you may consider stealing from this book

In my first book, *Detective Marketing*, I suggested that the next step for Coca-Cola, a brand built on smart distribution, was to distribute their product on tap. A wild idea, but one year after publication of the book, I read a notice in the *Sunday Times* (March 18 2001) that Coca-Cola had started a pilot project to do just that. It is unlikely that Coca-Cola read my book before they started the pilot project. Nor could the company have stolen the idea for a simple reason: I offer the ideas in my books free of charge. Here are ten more wild ideas your company may be tempted to steal.

1. Apple: An Apple-shaped projector. I've already received orders from consumers, but not from Apple. (See sketches on page 71.)
2. Nokia: Two detachable phones that fit together like yin and yang. Buy one, get one free with free calls between the two phones. Talk about connecting people. (See sketches on page 78–9.)
3. IKEA: A “shareroom” that sells used IKEA furniture. Sellers deliver their used furniture and buyers cart it away. IKEA takes a commission. No one gets hurt.
4. Amazon: Use the London Tube for distribution and part-time amateurs for distribution. 200,000 carriers times ten books a day equals 2,000,000 books.
5. Ryanair: Combine airline with house-swapping service. Think about it: everyone who goes anywhere is leaving an empty dwelling behind.
6. Dell: Design your shipping boxes so they can be turned into furniture after you've removed the computer inside. It would make the entire world a Dell showroom. ONE helps customers become fans.
7. Estate agents and carmakers: Buy a house and get a car to go with it at a massive discount. When you're already spending 20 years salary, what's another few thousand? Wouldn't you prefer to buy a house with a Ferrari in front?
8. Dairies: Milk cows in a city park to create a connection between the product and the production behind it.
9. Customer service departments: Put in a special line for satisfied customers and spend lots of time talking to them for fun and profit.
10. Federal Express: The next time there is a huge strike and the roads come to a standstill, deliver your parcels by horse. Great PR and a symbolic gesture. (Horses love freeways.)

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About the Author

Author, consultant, and speaker Stefan Engeseth works and lectures internationally, but is based in Stockholm, Sweden. Over the years, Stefan has worked as a consultant for international and Fortune 500 corporations. He is often described as one of the world's leading experts and speakers in his fields. His ideas range from innovative and future-oriented to bordering on far-fetched. Yet they all build on the universal truth that without innovation and visions, companies will not grow in today's highly competitive business world. The question is how far you are prepared to go.

Detective Marketing Stefan Engeseth's first book was greeted with ringing endorsements from such heavyweights as TOMPETERS!, Al Ries, and Claes Andréasson of The ABSOLUT Company. The book has been referred to as "the book that bestselling business writers read."

Stefan Engeseth is the founder and CEO of Detective Marketing, a consulting firm that helps companies around the world find new business opportunities in areas such as strategy, business development and branding, communications, and marketing.

Legendary copywriter and Young & Rubicam executive Jan Cederquist has called Engeseth the "Jonathan Livingstone Seagull of the business world." Ranked among the top 5 percent by a leading speakers bureau, Engeseth has given over 500 lectures to audiences ranging from international corporations to academic institutions – in the United States, Europe, Asia, and Saudi Arabia.

"Marketer of the Year" is ONE of several accolades recently afforded Engeseth, who is a regular contributor to business magazines and adviser on high-profile undertakings such as the Öresund bridge, connecting Denmark with Sweden.

Stefan is a living proof of the ONE potential. His mother ran a hair-dressing salon and his father was a customer. His ONE lectures are full of the fruits of such unexpected meetings.

Stefan Engeseth can be contacted at the ONE website DetectiveMarketing.com

Credits

Translations

Steve Strid edited, reworked and contributed to the original material.

Art direction and layout

Illustrations in the book by Roland Williams.

Illustrations on pages 71, 78, 79: Joachim Nordwall, J. Nordwall Design.

Illustration on page 149: Andreas Carlsson, Nofont.

Photo on page xix: Cunning Stunts Communications.

Photo on page 48: Roland Williams.

Photo on page 84: Sergej Gerasimenko.

Author photo: Thomas Svensson.

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To best illustrate his ONE concept, the author freely mixes examples using both real and hypothetical products and brands.

Author's preface

Growing up in my mother's hair styling salon was probably the best management education I could get when it comes to customer relations. Think about it for a second: what do you tell your hairdresser? Or your taxi driver? Probably a good deal more than you tell the people at the bank, which is strange because banks are so important for so many things in your life.

Born in 1927, my mother started as an apprentice at a salon at the age of 11. Her career as a hairdresser was long; many of her customers she kept through three generations. She was often invited to customers' weddings, christenings, and funerals. I learned by listening to what her customers said, especially those who barely had any hair left, but who still wanted the "experience" of the haircut.

Customer relations are based on qualities that can't be found in customer relationship management and computers. My mother had none of these, yet she always read the local newspaper to keep up with who had gotten married, had had children, or had lost a loved one. Knowing your customers goes beyond ones and zeros.



The hair salon experience is always in front of a mirror. Try going to a salon and having your hair done without a mirror and you'll understand how today's consumers feel when they have to live with the hairdos today's brands force upon them.

A number of psychologists have explained to me that when you get hair done, it is the touching involved that creates intimacy that gets the customer to open up. People seem to have a deep need for confession.

But why are people more open with their hairdresser than at the bank? Let's face it, in the general scheme of things hairdos are not a major life decision; there are many other things which have a far greater effect on our lives. In a sentence, this is what this book is all about: the untapped potential of the meeting between company and customer.

I'm living proof of this potential. My mother ran a salon and my father was a customer. This book is full of the fruits of such unexpected meetings. I was born in 1965 and would like to thank my mother's customers for giving me "real life research."

Long live the new consumer revolution,

A handwritten signature in black ink, reading "Stefan Engeseth". The signature is fluid and cursive, with a long horizontal line extending to the right from the end of the name.

Stefan Engeseth, DetectiveMarketing.com

(Detective Marketing™ is a registered trademark of Stefan Engeseth.)

Your ONE foreword

I think you are probably the best person to write a foreword.

A good tip: read the book first and try to keep it to this ONE page so that others can read it when it goes from friend to friend ...

By the way, what's the name of your hairdresser?

(Make sure your friend has the right hairstyle when he or she discusses this book ...)

Part 1

What is ONE?

A statement for the consumer revolution

The world is becoming a fairer place for consumers who are finding that they now have a much easier time making themselves heard. Consumers are forcing companies to be more honest by example: companies that are open to the power of the consumer often prosper. Yet many companies are very set in their ways.

“Many firms do not yet seem aware of the revolutionary implications of newly empowered consumers,” says *The Economist* (2005). The speed at which consumers communicate with each other is a true revolution – blogs, websites, email, and the media. Courting consumer demand is quickly becoming a question of life or death even for the biggest brands. Or as *Business Week* pointed out, “Catch up ... or catch you later” (businessweek.com, 2005).

It's a consumer revolution – a demanding but liberating shift. The rise of this powerful consumer boss marks one of the most important milestones in the history of branding.

(A.G. Lafley, CEO, The Procter & Gamble Company, *Advertising Age*, 75th Anniversary Edition)

As long as there have been companies, there have been consumers, yet today's consumers are more aware of their own worth. Consumers are at once more global and more local, often acting as a sort of giant tribe. They react forcefully and globally when companies fail to respond to their needs.

The cases and examples in this book are from many global companies, but are all explained in such way as to be relevant for local markets. My goal is to inspire, create word of mouth through participation, relevance, and meaning for both consumers and companies.

Consumers can more easily influence sales, brand value, stock prices, and the media than the company's employees whose opinions and commitment have been “bought.”

Today a company's value lies in the relationships it creates internally and with

the market (Gummesson, 2005, interview). When Procter & Gamble's CEO says that the company has a great boss, he is talking about you the consumer.

Yet, this book is not about communism or joint ownership; it's about a simple, yet multifaceted idea: ONE. ONE means taking business to the next stage of development, about bringing the consumer into the company for the benefit of everyone. The simple fact of the matter is that good business is essentially childishly simple. At one time I was seriously considering writing a children's book for business people. Google, for example, could let visitors search its 8 billion pages by opening pages visited in a separate window so that instead of leaving the Google page, the visitor stays with the brand a little longer.

*You can only look at “things” through naïve eyes
when you are, well, naïve.*

(Tom Peters, *The Pursuit of Wow!*)

So take a few hours and open your mind to the child in you for your own sake and for the sake of your business.

Why ONE now?

Consumer power is too strong for even the mightiest corporations to ignore, as McDonald's learned with the film *Super Size Me* (2004).

ONE is all about making consumer power work *for you* instead of *against* your company, as in best-selling books such as Naomi Klein's *No Logo* or Eric Schlosser's *Fast Food Nation*.

Sometimes when I lecture I ask the audience “How would you like to have 50,000 negative *anti-brand* pictures of your company on the Internet?” Not many hands go up, yet the pictures are still out there. Why?

ONE is about integrating your customers in your processes, using this force instead of fighting it. ONE is about integrating your customers in your processes, using this force instead of fighting it. This was brilliantly expressed by U2 in their 1991 song One, which emphasized how each life has its own blood and its own love, and the way that unity determined how each person had to act.

The Lonely Planet travel guides are written mostly by travelers themselves. Who has the most credibility – customers or your commissioned travel agent? Traveling, by its very nature, must be one of the best open source systems on earth.

easy rider

Harley-Davidson understands that customers wish to re-live the dreams of their youth. The black-leather clad middle-aged rebel cruising down the street on his powerful Harley may be an accountant who, for a moment, can fantasize about being dangerous to more than just the tax authorities.

Harley-Davidson became ONE with the customer. It took a while, but the company went from near bankruptcy to a modern branding miracle. When customers tattoo Harley-Davidson on their arms and wear its logo on their clothes, they are merely showing their uniform as employees of Harley-Davidson-ONE. “The customer isn’t just buying a Harley, but also membership in a network that opens his world to magic and dreams. This membership just happens to include a motorcycle” (Gummesson, 2005).

Question: What visible symbols can your customers carry and develop for your company? The Harley front wheel fork is a classic case of how customers have helped to develop a product. What is the corresponding product for your company?

ONE shows how to put consumers in charge of your company. It explains how open source concepts such as Linux are challenging mighty Microsoft. And how IKEA manages to profit from building communities, while anti-brands such as Nike exploit them.

Business is evolving and this book is about the tools and inspiration that the consumer revolution is using to change the world.

Haven’t business and marketing professionals always done consumer research?

Yes, but the relation between illusion and reality doesn’t show up on a piece of paper; it takes its form in real life and changes too fast for most research.

Never underestimate the consumer ... or a motorcycle gang

I once met a very short man at a cocktail party who told me he was a debt collector for an international motorcycle gang. When he saw my expression, he pointed at another man who was about twice as tall and twice as heavy.

“You see, I’m the one who knocks on the door. When they look out they see me and open. Then my big friend over there pops up from around the corner. If my big friend was the one who knocked on the door no one would open.”

The same thing is true for a company and its customers. The company sees a little customer and it sees that it has little to be afraid of. But then the giant called consumer power comes rushing around the corner – blogs, email, hate websites – and the coverage they get from the mass media can hit hard in the form of quick declines in stock value. Intel learned this lesson the hard way when it didn’t listen to the little customer who had discovered that its new processor in certain cases made mathematical errors. Intel’s mistake cost it \$475 million.

A big company that didn’t listen to an unhappy customer in China was Mercedes-Benz. A customer was creative and angry and turned his anger into a media event. First he went at his Mercedes with a baseball bat, and then he hitched the battered car to a donkey and pulled it around the country (Fang, 2005). The story received enormous coverage in the media and cost considerable damage to the brand.

Another example is the motorcycle lock manufacturer Kryptonite, who didn’t listen to its customer who had figured out how to open the company’s locks with a ballpoint pen. The story spread like lightning on blogs all over the world. For the company, it was only a lock, but for the customer it was a two-wheel way of life that could be stolen. Kryptonite was forced to recall about 40,000 of its locks. The cost of not listening to one customer: \$10 million.

Companies often underestimate how powerful and swift consumer power can be. A company assumes that it is creating values, but communicates them in a way that is completely at odds with the currents of the modern culture that consumer power has created. There are thousands of such cases, with many more to come if the corporate world doesn’t take this power seriously in the transparent market in which we live in today.

*Consumers are sharing their experiences on blogs.
Companies need to learn more, not only about the*

*blogs themselves, but the driving force behind them:
sharing not based on a monetary transaction.*

A single consumer can start a movement that spawns thousands of “hate websites” that become a major source of bad will. Media companies such as Forbes rank hate websites like those that attack American Express, UPS, Wal-Mart, and Microsoft as a considerable factor in affecting both customer attitudes and stock prices (forbes.com, 2005). Even more disconcerting is that these sites have also become a forum for dissatisfied employees to complain and spread confidential company information all over the world. Some consumers even pay for full-page hate-ads in newspapers to get companies to listen (and hopefully ruin a few executives’ breakfasts). It’s easy to understand them when Verizon, one of the biggest mobile phone providers, give consumers responses like this: “Why in the world would you expect your (cell) phone to work in your house?” (Ivan Seidenberg, CEO, Verizon Communications, in Wallack, 2005).

This is not the sort of reaction you expect from a company that claims to be one of the world’s leading providers of wireless communications with an advertising slogan that reads, “At Verizon, we never stop working for you” (verizon.com, 2005). For the consumers a mobile phone is like a relationship or even a pacemaker. Yet, it seems that some mobile providers are doing all they can to alienate their customers. Verizon is a highly respected company, but what about a little respect for consumers? How do you think its CEO would feel if we stopped service on his mobile phone? Considering that customers can now call each other for free and over the net using providers such as Skype, word of mouth is taking on new proportions. When eBay bought Skype it envisaged adding a new dimension to its business – talking. With over 214 million downloads (growing by 150,000 a day) of the Skype software, all these people can call Verizon’s CEO and read out the following quote from Michael Powell, Chairman, Federal Communications Commission: “I knew it was over when I downloaded Skype.”

If he didn’t understand, they could read him the rest of the quote:

*When the inventors of KaZaa are distributing for free
a little program that you can use to talk to anybody
and the quality is fantastic and it’s free – it’s over. The
world will change now inevitably.*

Fortune Magazine (February 16 2004)

Another example of underestimating the consumer is the use of Radio Frequency ID (RFID) chips embedded in clothing and other products to track inventory and buying behavior. The chips act as a digital price tag that then follows the customer home, so to speak. Benetton has used this technology to learn more about its customers. One result has been the creation of a hate website (boycottbenetton.com) and the catchy, but not so selling-orientated slogan “I’d rather go naked.”

Gillette has also planted an RFID in some of its products and you may just get an email from your razor in the near future telling you that you need a shave. This isn’t science fiction; it’s corporations using technology unwisely. Today, there are a number of anti-RFID hate websites such as spychips.com that publicly expose companies that use RFID-technology and call for world-wide boycotts of these companies. These sites often reach such established mass media as *Business Week*, CNN, and *Wired*.

Everyone loses in this sort of “us and them” thinking.

Instead of waiting for consumers or spying on them, corporations should open their doors and invite them in. Customers can come up with very interesting and creative suggestions that are not only better than those created in-house,



Unwisely used technology can easily become a company’s guillotine.

but also create considerable PR and increased sales. The reality is that a customer who contacts the R&D department is considered a nuisance. Companies should hire diplomatic and open-minded staff full time to handle customer input, especially today when communications have been simplified by the Internet and the interaction of “fans of the brand” outside the company. Just like a football match or a live TV show, everyone performs better in front of a cheering audience. Give your company that advantage and increase the stock value of your company by using ONE.

The international wave of anti-Americanism has hit American brands hard (Anholt, 2004a). Hardest hit is the “America” brand itself along, with sub-brands such as Coca-Cola, Nike, and IBM. Domestically, chains such as Wal-Mart have been burdened with the paradox of selling to Americans but buying from the Chinese. The color of the US flag may be the same, but nowadays almost 100 percent of all US flags sold in the United States are made in China (Kapferer, 2005). US Congressman Anthony Weiner calls Wal-Mart “an adjunct of China” (*The Economist*, 2005).

When the big brands of today make mistakes, large consumer groups create their own brands. Groups with strong values, such as religious groups, often create brands not as a religious statement, but simply because they prefer to sell products to and buy products from someone they can identify with. They want to know who is behind the counter and behind the company. A person not admired in one part of the world may easily become very popular in another. The perfume “Bin Laden” is not likely to become a best-seller in the United States, yet it could be very popular in other places. There are also a number of wines that take the politically incorrect to strange new realms: “Der Führer” (Jarnestad, 2005), “Mussolini,” “Che Guevara,” and “The Old Pope.” These are the sorts of wines you might be careful to serve to the right (or wrong) people. Everything is in the hands of the consumer; if that group of consumers is big enough a brand is born.

In Alabama, USA, a Sunday school teacher called Reata Strickland has attracted a huge audience for her site reata.org based on an interview with God. The site has several million visitors every month.

Brand counterfeiting is a billion-dollar industry. When famous brands close a store in Florence, Italy, for example, counterfeiters set up street stalls and offer the same products at a fraction of the price. Imagine if the copies were actually better designed and came with the added value of being sold from customer to customer. Just imagine if the brand-counterfeiting industry made use of a bit of consumer power for its R&D to make products that

consumers really want. These consumers would be only too happy to buy new versions of famous brands if they felt that those famous brands weren't being responsive to their needs. If companies fail to listen to consumer power, the customers may end up taking over the brand, the product, and the distribution. Many of today's big brands have R&D departments that look more like museums when compared with consumers, who are developing at the speed of sound.

When the artist Banksy managed to smuggle his own art into art museums, he demonstrated that the public space belongs to the consumers. If you create a purse or a perfume for Yves Saint Laurent, you can in all likelihood smuggle them into stores that are only set up to detect people taking things out of the store. When the customer then buys them and people see them on the street, they will start asking for these products. Someone who actually did this was Ito Morabito, a 21-year-old Frenchman who created fake products for real brands. He placed ads on the Internet that attracted customers who liked what they saw and wanted to buy the fake products. The real brands had no choice but to work with the young designer. Currently, "Ora Ito", as he is known today, creates designs for brands such as Heineken, Swatch, and for his own exhibition in Milan where he caters to his own fans.

Ora Ito is fond of saying, "Make your dream happen." So when will we see your products or your customers' products on the market?

Sometimes, fakes and copies can be of better quality than the original and have greater production capacity. When consumers revolt, corporations can work with them or against them. If brands don't belong to consumers, who do they belong to? If corporations refuse to listen and you have a good idea and enough talent to make a better product, go ahead and do it! Today in China, it takes about three days to make a first-rate product copy from idea to copy, or from consumer idea to consumer original. Naturally, there are a number of laws to take into consideration (or not to take into consideration), yet refusing to listen to one's customers is probably just as bad. By being ONE, consumer power can create better products and help the original brands evolve to be more responsive. This is exactly what happened with the music industry, which after years of trying to stop online downloading is learning from the people it was once prosecuting. Consumers are being rewarded for their efforts by finally getting what they want. The counterfeiters are learning that they can make more money creating their own brands. When it comes to real versus fake, there is only one criterion: is the consumer part of the brand?

Why some say no to ONE

Many CEOs say “ONE sounds great, but we have so much work to do just trying to live up to our promises to the consumer that we can’t afford to think about the future or taking the next step with our customers.”

It’s a bit like living in a rough neighborhood and putting on a tough facade to fit in. Your entire life then becomes a struggle to keep up the image. Instead of devoting all that energy to fighting, it is better to get to know the people in the neighborhood and make friends with the right people. This is more than a metaphor; this is my own childhood in a rough neighborhood.

A company that produces its products and services together with the customer can spend less time and money on fighting to maintain its image and more time making the right friends. There are a number of good cases of large companies moving into the right neighborhoods. Procter & Gamble have literally moved into Spanish-speaking and black neighborhoods in the United States to develop products that meet the needs of the people who live there.

When I lecture or take consulting assignments I ask people who are skeptical of ONE a simple question: “Tell me the names of your five most loyal customers.” Ninety-nine times out of a hundred they have no answer.

Then I say: “In a tough neighborhood, you wouldn’t last a week without knowing who your friends are.”

Cause and effect

Management, boards, and bosses often live a life far removed from the consumer’s reality. You can’t knock success, but out-of-touch lifestyles can create unnecessary distance and make it more difficult to work with consumers. Today’s economy requires direct contact with the market in real time. Depending on market studies about a reality that can change in an afternoon doesn’t build a bottom line. Corporate management often live a life that is reminiscent of “The Emperor’s New Clothes” – they often find themselves standing naked when making decisions having to do with customers and the market. ONE gives them both the clothes and the acceptance they need from customers.

In many boardrooms, high-sounding words and diagrams have replaced the consumer with an artificial reality of PowerPoint and whiteboards. For many in management the consumer is either a completely foreign concept or a new word to learn. It seems as though many feel that they are above talking

about or with the consumers, as long as they keep on buying. These same people, however, have no problem whatsoever talking about the competition all day.

The whole is greater than the sum of the parts. Just as animals live in harmony and interact with their environments, so will advertising with ONE. Advertising that is a part of the bigger picture has no need to force itself into the life of the customer.

Goods and services that consumers want and feel that they are a part of become part of the nature of things. When did you last see an ad for Google.com? If companies work in an open environment and integrate with the market they will grow naturally. Nature needs no doors. Instead of acting as bouncers, lawyers should be more like park rangers who see to it that the forest is kept in balance and is managed correctly.

In a transparent market consumers do not need to settle for less than they are worth, and today they know what they are worth. Even the Nobel Prize confirmed that corporations are giving consumers goods of lower quality than the consumer needs. The 2001 Nobel Prize in Economics was given to George A. Akerlof, University of California Berkeley (nobelprize.org) for his pioneering work in the area.

The present is the future of history.

Heavy manufacturing industry is being transformed into a sales and marketing industry. The auto industry, for example, is increasingly outsourcing its operations to such a large extent that practically the only thing left of the original brand is the person who puts the name on the finished product. Today's suppliers are so large and well organized that soon the person who puts on the label will disappear as well. The balance of power is tipping towards influential consumer groups that have considerable say in new legislation. The transparency of today's market has made it easier for the consumer to fight back legally. Sites such as corpwatch.org keep an eye on corporate misbehavior. These sorts of sites mean bad publicity for bad corporate citizens, but also goodwill for those that have acted responsibly.

Behaviour speaks much louder than words.

(Dr. Peter Drucker, 2005)

An individual consumer sued McDonald's for causing his obesity. Although the court ruled in favor of McDonald's, it is only a matter of time before one of the countless other pending and future cases will deal a major blow to the fast food giant and create an opening for other fast food players to take market shares by offering healthier food. It is easy to single McDonald's out because they have made so many obvious mistakes. By the same token, it would be that much more interesting to see them capitalize on this new trend of consciousness with some super-sized wholesomeness.

Before, neither consumer nor company had been able to see the effect of consumer power. Modern research has shown that one of the most important factors in influencing a company is through informed purchasing decisions. Although the effect of the single wallet is negligible, the transparency of today's market has helped consumers see each other and their combined power.

So can consumption be culture? When the coffee house/café made its way from Europe to the United States, it became a new sort of public space. Starbucks was founded on the European principle that you were buying much more than just coffee; you were buying certain social values. The Starbucks brand builds relationships by using the brand as the social point of reference.

Okocim, a Polish beer, "brings people together" and along with other alcohol brands, highlights social values for both the group and the flock. A common message is "dare to be yourself, but with respect for yourself and others." Brussels Airlines claim to be "passionate about you." Other brands such as Läkerol "makes people talk" while Viagra "makes people ..." whatever.

A country that has a history of recognizing these sorts of connections between consumption and culture is France. Disney and McDonald's have first hand experience of having to adapt to this country famous for its rebellions. This time it's the consumer revolution. Using ONE can employ both what the customers buy and what they give back. With ONE, consumers are a part of the package.

More than ever, individuals define their place in the flock through the brands they consume. Brands have become our time's bearer of culture. A number of famous brands have sites where visitors can test themselves to see what shoe or what table they are. All in good fun, yet what do these sorts of tests say about our society of consumption?

In today's society, we no longer need to build houses to survive. We have

inherited everything we need to survive: houses, farms, factories, and so on. This goes against human nature. Human nature has a need to create, to build, and to connect. The Internet has taken up part of the need for a new frontier. Here there are many parallels to the old Wild West – everyone can stake a claim; everyone can find new ways of making money.

Many of history's great economists such as Adam Smith (1723–1790) pointed out in the eighteenth century that the nature of companies was to attempt to build cartels and monopolies to restrict free enterprise. Sadly, we have seen this to be true for hundreds of years and the chances are that today's evening news or morning paper will feature a corporate corruption story.

The corporation lies, steals and kills without hesitation when it serves the interest of its shareholders to do so.

(Bakan, 2004)

In the new world order taking shape, we don't need as large a work force. Not only have low-salary countries such as China and India developed from non-skilled to skilled labor; many jobs have also been eliminated by automation and other forms of modernization. This makes it difficult for the United States, Europe, and others to compete. The new generation in industrialized countries no longer grows up dreaming of a gold watch after 40 years of work. This generation is more focused on self-realization. That results in increased unemployment and many employers are less likely to hire when the market can dip suddenly. Here, ONE is a gray zone where the customers themselves become temporary workers. After all, IKEA lets its customers do part of its work for it. And why not take the concept a step further and let customers put together an entire store – chances are that in the IKEA scheme of things, the assembly would be just as easy.

Like a sort of virtual temp agency, ONE can be a way of utilizing short-term labor to keep costs and prices down.

People who live in a foreign country often develop much stronger ties to their native cultures than the people they left behind. This is the case for many Indians who live in the United States, for example. Indians living in India can take much for granted that expatriates long for. This can be compared to the corporate world. People who work for a corporation are often blind to its strengths, while customers from the outside may have a

much stronger connection to a company's corporate culture. Just as Indians living in the United States are free to visit India, so customers should be free to visit companies they feel at home with.

Consumers make or break companies

Many brands have learned that consumer power can sink just about any brand. A transparent market will never, in the long run, be able to accept brands with dirty hands.

And dirty hands are a fitting metaphor. In the documentary *Super Size Me*, everyone gets a bit of grease under his or her nails. The film hits hard at both the gut level and at the intellect:

Each day, one in four Americans visits a fast food restaurant. ... McDonald's feeds more than 46 million people a day – more than the entire population of Spain. Sixty percent of all Americans are either overweight or obese. One in every three children born in the year 2000 will develop diabetes in their lifetime.

(*Super Size Me*, 2004)

Even better (or worse) timed was the best-seller *Fast Food Nation* with its account of McDonald's deep-frying its French fries in tallow. Imagine the reactions of vegetarians, one of whom sued and settled out of court. And the Arab TV media, which reach countless millions – imagine the reaction when they took up the question of what this tallow was made of. Could it be pork? What were these corporate strategists thinking?

I believe in the power of people.

(Erin Brockovich)

Consumer power is so strong that sometimes it only takes ONE consumer to dent even the biggest corporations. With no money, no job, and no legal education, Erin Brockovich brought a huge utilities company to its knees. The story was too good to miss; the story became a Hollywood film about her heroic fight

starring Julia Roberts. The happy ending: the largest ever direct-action lawsuit in American history – \$333 million. Today, Erin still works at the same law firm and has become so famous that on a number of occasions opposing legal counsel have demanded that her name not be used in court for fear of her hero image influencing the verdict. To think that a little consumer called David (or Erin) could be so fierce that the mere mention of his name can scare Goliath.

If companies don't need consumers, consumers don't need companies (or their products and brands).

Charles Darwin discovered that when two virtually identical birds lived on different islands, each developed differently. The discovery was the beginning of his theory of natural selection. Consumers live on their own islands of special interests, cultures, and needs. Giving them the right conditions in which to develop, we can create a whole new breed of consumers – and companies. Sadly, consumers and companies often live separate lives on different islands, in different time zones.



What company wants 50,000 nasty caricatures of its brand floating around on the Internet? Here, the artist "Lee" shares one of his passions: painting and selling anti-McDonald's art. Is this the sort of passion a brand should evoke?

Darwin took a cruise out into the real world and observed animal and plant life for five years. Today, the boats look different, but the reality is the same. Living and working close to customers is an incredible source of opportunities and potential profit. Consumers are the biggest media channel on earth. How can we work with consumers as a form of media?

When you're traveling, it's nice to stop for a glass of juice. Did it taste good, bad, or delicious? According to Tim Pethick, it should be delicious or you have no business selling it. Literally. His passion for juice was one of the driving forces behind his Australia based company, Nudie. Using common sense and strong consumer input, the company has built a unique brand, with an almost cult-like following. Started in a kitchen, Nudie has grown into a \$12 million company that is making a considerable impact on the fruit juice industry.

Advertising is a great way to waste your money.

(Chief Nudie and Founder, Tim Pethick, Nudie Foods, Australia)

According to Tim, a bad product never gets any better with advertising. Tim invests his money in the quality of his product to ensure that his customers' experience surpasses their expectations. It is not until then that advertising is any good whatsoever. When Tim speaks of advertising, he is again talking about the product: the product is the most important marketing tool. Nudie has built up a transparent marketing organization that encourages the customer to participate in the development of the company. The customers are so involved that Tim admits that it is often customers that lead the way out onto the market. Traditionally, a company goes from USPs (unique selling points) to ESPs (emotional selling points) to TSPs (tribal selling points). In a big city we create our own tribes, societies within a society. We seek out like-minded people in the large anonymous flock. This tribe has its charismatic leaders or trendsetters. Nudie lets these evangelists spread the tales of the brand as the tribe sits around the communal fire. These fans have embraced those values that Tim Pethick himself missed when he was a customer to other companies before he started Nudie. Fans of the brand have become "Nudie addicts," a central part of the company. When competitors realized that Nudie was gaining shelf space in retail stores, the large companies bought out all stock in an attempt to kill the brand. The attempt was foiled by Nudie fans' boisterous complaints to the retail chains and Nudie was brought back by popular demand.

The big players in the industry are transaction-based rather than relation-based. Customers attained solely on price considerations are not loyal, which is not a major concern when the products are anonymous and generic. Contrast that with Nudie's Tim Pethick, who has built a solid long-term relationship with his customers.

A few tips from Tim's approach to being ONE:

- Tell a story and feed that story.
- Respect your consumers. Don't fake it, make it real.
- Involve consumers; it's their brand.
- Consumers can take care of all the marketing you need!
- Create a transparent brand and a transparent product.
- Think and act like a consumer.
- Involve your customers in a continuing dialog (look at nudie.com.au for an inviting, interactive site).

As Nudie is a small company in a big world, Nudie let its fans "adopt a shop." The fans have responsibility for making sure there are products in the store and that they are displayed properly. Their intense passion for the brand means that they put their hearts into seeing to it that the storeowner is doing "their brand" justice. When the shelves need to be filled, the fans get in touch with their Nudie contact and have him or her order more. Tim points out that you must always exceed the customer's expectations. Today, Nudie's relationship with its customers has developed to the point where the customers practically run the company.

"If the customers wanted us to start an airline, we'd do it," says Tim Pethick.

Nudie has integrated the customer into the company to such an extent that the boundary between company and customer has become less important than sharing a passion for doing something different and meaningful together. The magnetism between the two keeps the passion alive.

When asked why there are so many interesting juice companies in the world, Tim answers that juice is highly visible, delicious, and easy to have strong feelings for. Tim concludes our conversation with a question: The consumer has changed and developed, yet marketing has not. Why is that?

The moral of the Nudie story is simple. Why then are there not more examples of companies utilizing consumer power in a positive way? One reason is that common sense is anything but common. It's a sad fact that many large

corporations create negative energy from their customers, using management by distance instead of management by interaction. Letting the customer's enthusiasm flow through all levels of the company creates powerful word of mouth by customers, to customers.

Nudie has a cool down-to-earth management led by Chief Nudie and Founder, Tim Pethick. Recently, Nudie was voted one of Australia's top ten brands. Customer focus pays.

How fans of FedEx could build its business

Big companies like FedEx spend millions to get new customers, but when they get them, often the fun stops. Unfortunately, this multi-billion-dollar company didn't appreciate Jose Avila's discovery. He used FedEx so frequently that he had 300 of their boxes lying around. He put two and two together: I have boxes and need furniture so why not make furniture of FedEx boxes? A great idea; the word spread on the Internet and soon it was a success. He actually invented a way for FedEx to get consumers to contribute environmentally. Sadly, FedEx did not see it that way and their lawyers forced him to shut down his site, www.fedexfurniture.com. Instead of buckling under, Jose got help from students at the Stanford Law School Center turning the story into a modern David and Goliath. FedEx had taken a golden opportunity and turned it into negative PR. The story appeared in *Wired*, CBS, CNN, and NBC, and on many chat shows. Today, there are millions of anti-brand stories about the company floating around on the Internet. This attitude from big companies costs millions of brand-image dollars and doesn't increase sales.

To see the big picture is to be a part of the picture, not just delivering the package from A to B.

To get consumer power to work with FedEx rather than against it, the company could easily find designers like Sergej Gerasimenko, who has been working with cardboard furniture for more than 15 years. Together with Jose and Sergej, FedEx could develop a package that consumers could make FedEx furniture with and become ONE with the brand. This could be a trend and a movement for other consumers to take part in. For employees at FedEx, it should be an honor to work in a company that not only delivers packages, but also becomes part of people's lives. It would also inspire the FedEx corporate culture to adapt and learn from customers and diversify. For example, if FedEx moved its business into household

goods removals (a global, multi-million dollar business) it would be easy: FedEx is already in consumers' homes, with furniture made of FedEx (a new dimension of "living your brand").

Instead, FedEx has to pay millions of dollars on annoying product placements in movies such as *Runaway Bride* (1999) with Julia Roberts to appear as though they are a part of their consumers' lives. After movies like *The Corporation* (2003) and *Super Size Me* they could, with their famous David and Goliath story, end up with an "anti-FedEx-movie" (the kind of product placement that would definitely not build their brand). Such a film would be a success with a director like Michael Moore and a star like Jose Avila playing himself.

Today, Jose and other fans have moved out from the FedEx brand (or as some say, ExFed). Sadly José's site www.fedexfurniture.com isn't up anymore. We hope that the company that has replaced FedEx for Jose, UPS, can work as ONE with this passionate customer. Maybe he and Sergej could design furniture for UPS and start a www.upsfurniture.com with UPS.

Does your company have fans? Are you a fan? Passion is energy – how do you think that energy can inspire the corporate culture of your company? Can consumers increase the bottom line? Is there any bottom line without consumers?

A few hours after I posted this David and Goliath story on my blog, both FedEx and UPS checked it out on blog.detectivemarketing.com. I also sent the story to Michael Moore, so we may well see a bit more of FedEx in the future ...

Other fans of companies have fan-tattoos, fan-sites, and fan-blogs. Fans are building new tribes around great companies. Who owns their passion? Is it the company or the fans? The bad news is that companies can never own their fans. The good news is they can share their energy and grow together.

Others are so passionate about great brands that they are producing new fans (read kids). One fan has named his son Google Kai (www.google-kai.com). The proud father, Elias Kai, is a big Google fan (Kai, 2005) and like so many fans, he knows a lot about his subject, in this case search engines.

I asked him how his son would feel about his name in the future.

"Like I do – happy," he answered.

I asked him if he would still feel so passionate about the brand if he worked at Google from 9 to 5.

"Are you kidding, I think about Google in my sleep!"

I ask him, "if your brother has a kid and gives him or her the name Yahoo, would you allow them to play together?" At first there was silence then he replied – "Yes of course!"

Google is a big company, but a flexible one that stays close to its customers. They've even written about Google Kai on their blog. This attitude is the reason why the "Google tribe" will grow.

Proof of the power

No fences make good neighbors. A residential suburb without fences between the houses creates an open and comfortable atmosphere. In these sorts of neighborhoods, it's easier to share "common resources" such as a lawn mower or a good joke. Suburban house or big city high-rise – we all need our tribe. Native cultures tattoo patterns on their arms. So do 20 million Americans, a very big tribe indeed. High-visibility tattoos can be seen on Robbie Williams, Angelina Jolie, and Mike Tyson.

Working in groups and across traditional borders opens new dimensions. ONE is a tool for the individual and the group to succeed together.

Faith and an unfettered mind move mountains. Mountains move nothing.



What about a Save the World credit card? The corporate world not only has the resources to change or save the world, they can, with consumer power, transform it into a warm heart in a cold universe. Consumers can make a difference by buying a difference!

Consumers are increasingly starting to think of themselves as having the power to change the world for the better. Never before have charitable organizations received so many donations as for the recent tsunami in Asia. Eco-tourism has gone from a nice status trophy to a mass industry. This increasing consciousness among consumers is good business. By buying locally, for example, consumers not only contribute to a better environment, they create jobs. And when 30 million consumers make the *right* choice, corporations suddenly discover that it's more expensive to manufacture *wrong*.

Charitable organizations should create a credit/debit card where you earn bonus points for buying products that are more environmentally or socially conscious. All that you need is the Internet and a credit card company with a bit of vision. Instead of singing "We are the world," we can sing "We are improving the world with our consumer dollar." By making a transparent system of payment you should be able to log in and follow the flow of your money all way to the end recipient and then communicate personally with those people whose lives you have contributed to making better. This sort of arrangement would not only build real wealth in places where it is desperately lacking, but also give those places a human face. You could go on vacation in the places you have helped and get to know them first hand.

We don't do things to be good. Green is green [the color of the US dollar].

(Jeffrey Immelt, CEO, General Electric (Bergkvist, 2005))

Word of mouth, buzz, story-telling, and the grapevine are stronger than ever. As the influence of the mass media wanes, the value of word of mouth goes up. Many large companies have a larger customer base than TV stations have viewers, yet they insist on using TV to communicate. Companies such as Procter & Gamble are currently re-evaluating both TV and the mass media in order to get closer to their customers.

There are thousands of examples where word of mouth has started consumer revolutions. In fact it is said that you only need a handful of people talking to reach the entire world. When I was in Singapore I decided to perform my own unscientific experiment. Singapore with its 4 million people on a microscopic piece of land, its many different nationalities, its Chinese influences (= a passion for gossip), and its free one-hour local phone calls seems to be a perfect environment to test word of mouth theories. I told a story about a

nice woman who I saw as a Chinese version of Britney Spears to six people with no connection to the woman. The woman, who I was to meet later on my visit, called to re-book our meeting and made a comment about guess what ... Britney Spears. Professor Duncan J. Watts of Columbia University, has argued that you only need six people to reach the entire world (Watts, 2004).



A mirror helps us define ourselves and makes us feel important. Is your brand working as a brand mirror? Do you see yourself? Do your customers see themselves?

Do you see yourself in your brands?

The mirror is a product that has managed to remain modern, century after century. Why? Because we use it to see ourselves, and what could be more now than me? Yet how many people see themselves in the company they work for or in the brands they buy? In many Oriental martial arts, self-reflection is the key to conquest. To conquer an enemy one must first conquer oneself.

For the first time the consumer is boss, which is fascinatingly frightening, scary and terrifying, because everything we used to do, everything we used to know, will no longer work.

(Kevin Roberts, Chief Executive of Saatchi & Saatchi,
The Economist, 2005)

Advertising is not dying; it's just changing. As companies are trying to get closer to their customers, advertising is searching for new forms of communication along the entire chain of consumption from discovery to purchase and beyond.

When I held a lecture for the European Association of Communications Agencies (EACA), the audience was enthusiastic about the ONE topic and the coming book, but one piece of advice did shock some advertisers: stop hounding and nagging consumers and start involving them instead!

Fifty years ago Earl Tupper first brought out his now legendary plastic Tupperware plastic products in the United States. His "Tupperware parties" used consumers to sell to other consumers in their own homes. His system was an incredible success and today there is a Tupperware party every 2.5 seconds somewhere in the 100 countries where the products are sold. The sales idea is called Multi-level Marketing (MLM) and is known by dozens of names. The idea is simple: one person sells to a friend and receives a sales commission. That friend in turn sells to his/her friend and receives a commission. The original salesperson also gets a commission on his/her friend's commission and his/her friend's commission. This continues creating enormous, organically growing sales organizations as well as some very well-paid sales people.

This form of sales marketing has been associated with both respected and not-so respected companies and products. Historically it has been associated with make-up and vitamins, but has been used to sell everything from cars to soft drinks. In spite of the bogus figures and hallelujah meetings that some of these organizations are known for, there is an undeniable power in the idea of letting the customer run the show. A number of banks where we have conducted ONE studies have more customers than can be reached in their TV commercials. Shouldn't they spend more on working directly with those customers?

Brands are becoming increasingly global and anonymous along with their products. SAAB has melted into GM, Volvo into Ford, and Volkswagen has photocopied itself into Skoda and Seat. The products are becoming generic as they lose touch with their identities and origins. Quality is no longer so strong

an argument when the difference between brands shrinks. Audi is even launching its own TV channel. But still the copy can actually be better than the original since the savings in product development can be put back in the form of extra features. This defeats the whole purpose of brands – brands were originally created to protect the consumer and the manufacturer from bad originals. Now, even the copies need to protect themselves from bad copies. From the beginning IKEA was based on copies, and was not known for its quality. Over the years, however, it has made a long-term commitment to quality and today there is no great difference in quality between, for example, an IKEA kitchen and one from a prestige manufacturer.

When a new player such as MDF Italia starts making kitchens, it does so with the designer's playfulness and lets consumers' input influence design decisions. The company was surprised by its customers' enthusiastic response to a kitchen work-surface made of glass that revealed everything below. Being able to combine solid industry know-how with listening to consumers leads to both innovation and market share.

The kitchen has become today's fire for gathering the tribe; it's only natural that the consumers themselves should have a say in designing it. Taking the reasoning one step further, you could make well-designed kitchens that allow consumers to add their own personal touch. All the cabinets, for example, could be made of whiteboard or chalkboard and allow consumers to add artistic touches, to-do lists, or messages. Millions of refrigerators are already used as communications centers, why not extend it to the entire kitchen? Many of today's home-appliance makers such as Whirlpool, Electrolux, Miele, and Bosch already have displays on many of their products and are moving towards intelligent kitchens. The chalk and whiteboard idea could be taken a step into the future with digital technology and LCD screens, for example. Every family could be given its own cabinet connected to a computer using wireless connections. Recipes, entertainment, dinner-by-conference video – the possibilities are endless. It may seem far-fetched, but both high and low-tech ideas can generate considerable revenues. And with the consumer's permission: local restaurant menus, today's specials at the supermarket, music videos, travel agency bookings – the kitchen can be a hub in your virtual as well as your actual life.

Many of today's local kitchen manufacturers have sales valued at billions. Kitchens are still very much a local cultural phenomenon; kitchens look very different in Spain and Japan. Using ONE, on the other hand, could enable kitchen makers to compete globally by penetrating lucrative local markets.

Older companies are often slow to develop and, in the example above, electronics and entertainment companies such as Sony, Sharp, and LG could find new markets. New products are turning many concepts upside down. New food packaging is competing not with other packaging, but with appliances. Press a button on your box of lasagna and the food is heated in a matter of minutes. Or heat a cup of coffee in its own cup in 40 seconds. These products are already a reality.

Home appliance manufacturers have also crossed over into other domains. LG Electronics makes flatscreen TVs, home appliances, refrigerators with screens and TVs with built-in ice machines – or is it ice-makers with built-in TVs? Consider the impact of 500,000 of these “online kitchens,” where customers can give their feedback to companies as a kind of free online development department of consumers with passionate views and interests. Compare this with what happens in any non-ONE company, paying its workers to develop what they think customers want, and you can see how in ONE consumer power is driving the future of business.

A major obstacle to long-term common sense in business is the short-term profit motive. Moving to a longer perspective, say 100 years, is a good antidote to cynicism and gives us a certain sense of humility. A number of Japanese companies have marketing plans that cover 500 years. I have personally worked in projects where planning has stretched from the year 2100 to the year 2500. Just think if someone had laid the foundations of your brand 50 to 200 years ago: just think what a head start you’d have. Defining the road ahead a few generations into the future is liberating, calming, and often profitable. That plan is definitely something you can take to the bank.

Try to make this issue of long-term thinking a part of your next meeting. You may just see a little extra humility and responsibility creep into the agenda.



London Tube commuters are reminded of the consumer gap several times a day.

Mind the gap

The gap between what a company promises and what consumers experience has never been bigger. If companies are to survive and thrive in this age of the consumer, they must interact with consumers and let them into the process of creating new products and services. Starbucks made big bucks by minding the gap!

I'm a great believer in benchmarking different forms of consumption against each other. For example, when we Hoover the machine has a self-winding electrical cord, but when we use our laptops we have a battery that only lasts a few hours. Who would accept a vacuum cleaner that only worked for ten minutes? Why not equip laptops with a self-rolling cord. Seeing these types of solutions means that R&D must stop developing old ideas and start seeing the world through the eyes of consumers. Children learn by falling. If big companies wish to lead, they must be willing to fail occasionally (or Hoover the market for new innovations together with their customers).

The gap between consumers and corporations is as wide as the Grand Canyon, full of misunderstandings and opportunities that can be converted into big business.

Developing new products with and for the consumer can be made easier by a good relationship that nurtures intuition. Starbucks sold hot coffee, but quickly realized that customers wanted cold drinks as well, which led to the creation of the Frappuccino in 1994. The drink became a huge success, with over \$52 million sales last year. Starbucks and its partners have long focused on their customers, a strategy which has resulted in a healthy bottom line. When the Frappuccino was introduced in Japan it was adapted to the local culture and was made with green tea. In the United Kingdom, flavors such as strawberry were added.

Personnel are naturally motivated by being on a winning team. A \$52 million product not only confirms the brand, but creates an innovative corporate culture that attracts the most motivated and gifted employees and customers.

Starbucks opened 1,344 new stores in the first nine months of 2004, bringing its global total to 8,569 in more than 30 countries. In 2004, the company opened roughly 3.5 stores every day (brandchannel.com, 2004). These figures

would be impressive but not surprising if they had been for only the United States, which was a country that for centuries was dying for a good cup of coffee. But to see this development in European countries that already have strong local café and coffee traditions is a glowing testimonial to the strength of the brand.

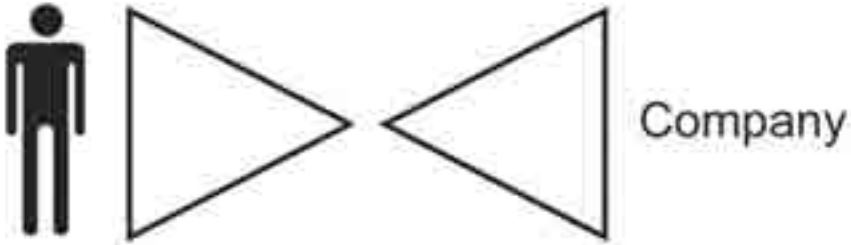
There are other companies that could make money minding the gap. The first one to come to mind is the clothing store The Gap. Here, the opportunity is two-fold. One opportunity is the incredible media, PR, and advertising potential of the phrase “mind the gap” in London and other big cities. The other opportunity, a much bigger one, is the gap between the rich and the poor. This gap between industrialized countries and the developing world continues to grow and is probably the biggest international problem for everyone. Creating clothing that raises awareness of this problem and donating money to charitable organizations can be profitable for all.

A central problem for most companies today is a gap between what they promise and what they deliver. With one foot on how they would like to be perceived and the other on how they actually are perceived, the company ends up doing a very painful version of the splits (Wirén, 2005). Yet, this gap also holds great riches for those who can use it to their advantage. What opportunities or new business ideas do you see in your gap? And what new messengers can you find to spread the values of your company?

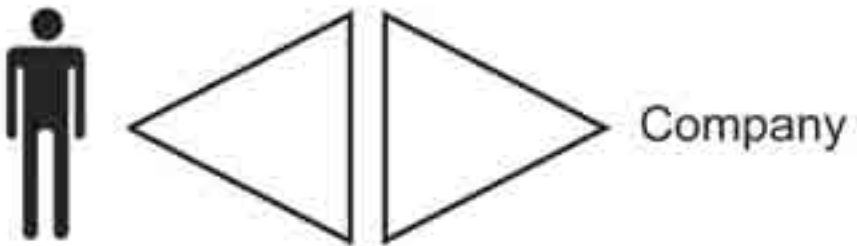
Another mind the gap area is different patterns of consumption between different groups, most notably between men and women. I am, like most men, fascinated by women’s passion for shoes. In a shoe store in Florence, I asked the clerk why women buy so many more shoes than men. “Because they all want to buy something different from other women” was the natural answer; another was “The way I look is the way I feel.” This was probably the best answer I’ve ever gotten in the subject. Men tend to buy the same things as their friends when it comes to clothes, shoes, and gadgets – or the same, only a little better. When women buy clothes, it’s a way of indulging in a “collective ritual” while still standing out.

In 1978 The Commodores sang: “she is once, twice, three times a lady” on the classic hit Three Times a Lady. Today, there are a number of studies that show that a whopping 80 percent of consumer purchases are influenced by women in some way (Johnson and Learned, 2004), yet today’s management is mostly male. A good mix of skills and gender could sing: “she is once, twice, three times a consumer.”

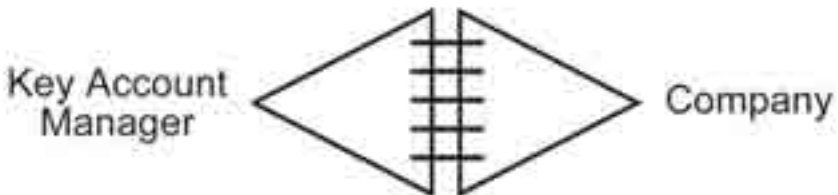
A few words about corporate blind spots



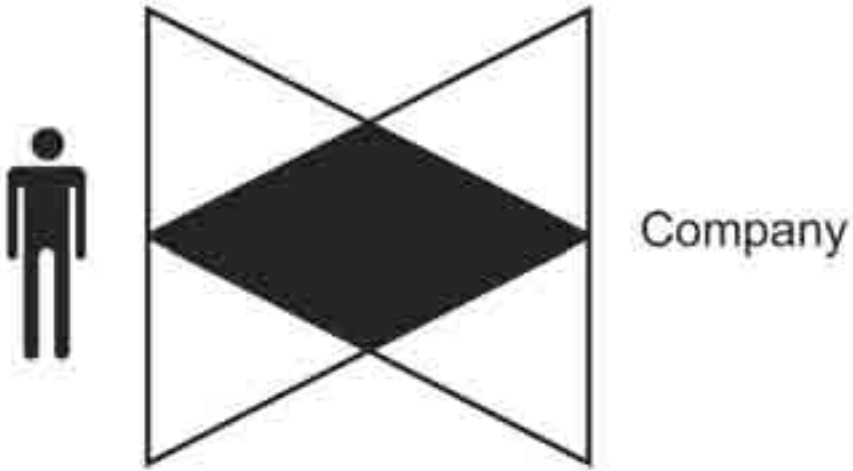
Within both Business to Business (B-to-B) and Business to Consumer (B-to-C) the range of vision is limited to pure consumption. Interaction is limited, making for a strategy that leaves the company very vulnerable to quick changes.



When the distance from the customer is too great, it can be hard to see patterns and opportunities.



In modern B-to-B, the Key Account Manager creates many points of contact between his/her company and the buyer. This reduces the risks, but also fails to create a common interest. It is a bit like a marriage where, if the two parties don't live with each other, the chances are that they will drift apart. Procter & Gamble has historically been an example of a company that is organized in this way (Dyer and Dalzell, 2004), but today they are trying to get closer to the customer. More about that later.



Closeness gives an increased field of vision as well as more room to identify common interests when patterns and opportunities makes it easier to see the big picture. The value of the relationship increases when you share a bit of each other's worlds.

Consumers will not be reduced to 10110010101101011100

Many companies have failed miserably at introducing customer relationship management (CRM). All too often companies are not willing to change how they work. At the same time, customers have changed their behavior, making it more difficult for today's marketers to put a label on them. Today's pensioners drive Harleys, while things such as clothes say less and less about a consumer's income. Luckily, people are still too complex for computers to figure out. CRM and One-to-One is like a dog dancing – you're not applauded because it's well done, only that it's done at all.

Strategy is about the basic value you're trying to deliver to customers, and about which customers you're trying to serve.

(Michael Porter, Professor, Harvard Business School
(Hammonds, 2001))

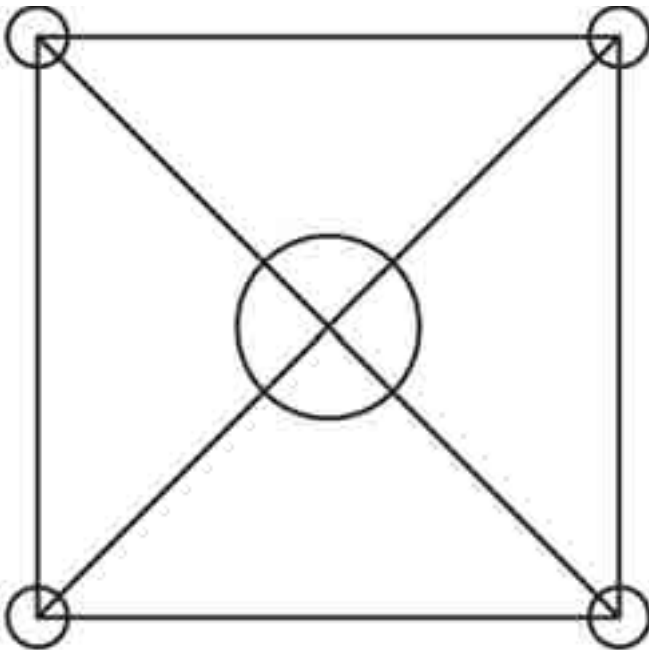
What happens when consumers see the market standing still? They communicate to corporations that if the corporations don't move, they'll buy from someone

else. Anyone can catch the market off guard. In his book *Losing My Virginity*, Richard Branson writes about Virgin's fight with the cola giants: "I love giving big companies a run for their money. ... We thrive on the fact that we are small and a newcomer up against the two giants" (Branson, 1998). In other words, big companies make big targets that encourage challengers to go one better. There's a Branson in every consumer and potentially he/she can become your biggest competitor. After six months of studying the other airlines' poor customer relations, Branson started Virgin Atlantic to take both customers and service to new heights. At the present, Branson is considering offering double beds on all his planes and making all our dreams come true.

What ideas do you have that might take off with ONE?

Who needs brands and companies? Not us

More and more, customers around a company are organizing themselves in such a way that the company is no longer necessary. Let's take a hypothetical case: buying a car. A car is like milk: it can be produced just about anywhere. The difference between different makes of cars is the degree to which they are refined.



For the organized customer, the company is no longer essential. Even more important, customers won't pay extra for a fake brand.

One approach for consumer power is to manufacture your own car using a website. Picture a manufacturer that gets its design from consumers and its parts from subcontractors. When the customers meet and drive away from the factory, they haven't just bought a new car; they've also created a new community. With no advertising, you have created a no-brand car with 2 million owners.

Companies must realize that the customer truly is king when many customers converge at the same place on the Internet. Instead of engaging in "brand wars," companies should involve the customer in their daily business. Companies that act cynically will discover the wrath of the king – the consumer. Their brand can easily become a symbol, an anti-brand. In that gap between anti-brands and consumer power are billions of dollars waiting for companies with the right approach.

If this sounds far-fetched, compare it to Dell Computers. At Dell, the computer is built after the order and is delivered directly to the customer. This whole process can, theoretically, be done by the customer him/herself, only better and with a more personal touch.

Even in a rapidly changing world, changing customer behavior takes time unless the customer is given more say. One window of opportunity is hotels. With the Internet, people are beginning to see that it is easier to compare hotels, find bargains, or better yet, find someone for a house/flat-swap. The hotel industry can react defensively or it can offer services that match the changes in consumer behavior. How can hotels be part of the swapping process? Can they provide security and piece of mind by guaranteeing the transaction, providing cleaning or insurance? The pay-off for the hotels would be low overheads, an unlimited number of stay-overs, and a virtually unlimited selection of accommodations with something to suit everyone. They could use a star rating system based on customer information and recommendations both to serve customers today and to design the hotels of tomorrow.

The Internet has its rules and cultures just like countries. Unlike geographical countries, where very few people leave when the country changes for the worse, Internet countries can lose their entire populations overnight. When Linux announced that everything that was created using its platform would become its property, Linux fans deserted the site in droves. Linux had no choice but open its doors to the collective rules of its fans based on free and open software. The alternative would be to sit by and watch them create a new "country."

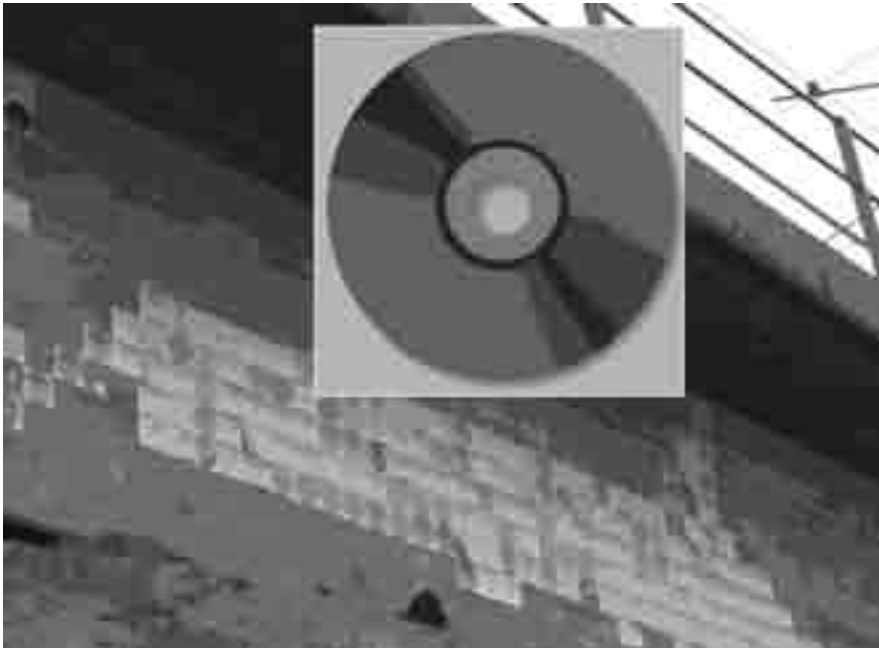
Public space, space not owned by private corporations, after reaching an all-time low is once again growing. This growth is a combination of increasing discontent and an improving technology to communicate it.

Today's technology makes it possible for everyone to be David Letterman. The Internet and inexpensive technology allow consumers to create their own radio and TV broadcasts, and even their own radio and TV stations. Let's hope these Lettermans are fans of your brands.

Transparent leadership makes it easier for a company to increase its level of ONE with its customers and the world around it. Customers see farther into the organization and the employees see more of themselves reflected in its customers. The pay-off is more synergy for everyone.

What do Tesco, Letterman, and IKEA have that others don't?

When customers see themselves in the company by participating in defining a service, a product, or personnel, the conditions for ONE have been laid down. Participation is based on a genuine interest for the customer, not empty corporate promises.



In the dead of a Stockholm winter, under a dreary stretch of commuter train tracks, a wall was plastered with free CD records, there for the taking. No store, no rent, no distribution, just a bit of story-telling and a positive underground feel.

IKEA is a wonderful example of a company that is built on blurring the borders between company and customer, using very concrete measures such as having the customer assemble the furniture. The quality problems the company had in its early years turned out to be the best thing that could have happened. Sometimes the lines to the complaints and service department were longer than to the checkout counters, which *IKEA* quickly turned to its advantage. In addition to making a commitment to improving quality, they also created an atmosphere that fostered such a positive attitude toward the store that when customers came back to complain, they soon discovered that there was always something else that they wanted to buy. As the quality improved, the company managed to keep and increase this goodwill. It's a known fact that companies that manage to turn a bad situation into a good one create extra strong ties to their customers. There are those who claim that some companies create problems to solve on purpose in order to get closer to their customers.

The UK supermarket chain *Tesco* has become one of Europe's fastest growing financial service companies. *Tesco* was founded in 1924 and is today one of the UK's largest food retailers. In the 80-plus years it has been doing business, the company has gone from bringing the customers their goods, to letting them take things from the shelf themselves, to letting them scan in their own items by going to a special checkout counter. The store has developed from just groceries to telephony, banking, insurance, and a host of financial services. Through a series of corporate partnerships *Tesco* has been able to offer services that have brought the customers into the company in a completely different way than before.

One of the most important drivers of this success is the *Tesco* Clubcard, introduced in 1995. This card, with its benefits, not only gives customers something they can take to the bank, it literally helped them build one. The card brought the company's customers into the company and let the company become a larger part of the lives of its customers.

Many companies use information about customers mostly for printing labels. Direct marketing is still underrated and misused. *Tesco* has a bit more vision. In order to give the individual customer relevant information and offers, *Tesco* has divided its millions of customers into over 100,000 customer categories. In addition to the usual demographics there is a Baby Club, a Wine Club, and so on.

The customer's purchases define the categories and form the basis of how to communicate with the customer; for example, is the customer unusually price-conscious? If so the strategy must be right to keep him/her from going to discount outlets instead. The goal is to ensure that each individual customer can feel that being an active customer is a winning proposition for just him or her. The

pay-off for the customer is attractive enough for him/her to supply Tesco with information that will help the company to serve him/her even better in the future.

Tesco is in a position to introduce virtually any product or service based on its interactive relationship with him or her. When Tesco launched its mobile phone service Tesco Mobile, for instance, it attracted over 500,000 customers in less than 14 months.

Tesco CEO, Sir Terry Leahy, summarizes the company strategy and philosophy:

Understand customers better than anyone. Be energetic, innovative and be first for customers. Use our strengths to deliver unbeatable value to our customers. Look after our people so they can look after our customers. Treat people as we would like to be treated.

With over 326,000 employees in 11 international markets and a turnover of £33.6 billion these are not empty words.

Are there other winning ideas out there? What about Tesco Car? How would it work? Should it be made in over 100,000 customer categories to fit its demographics – Baby Club, a Wine Club, and so on?

How can the customer grow with Tesco; what further opportunities do you see for ONE?

Tesco pays 1 percent in dividends to its customers – over £1 billion. The future potential is what the customers get for the other 99 percent.

And what happens if the grass looks greener on the other side of that card? How do you get customers to stay? And remember that “The grass is always greener on both sides of the hill.”

The Late Show with David Letterman is more than entertainment; it’s a historic milestone. Much of the show’s success is built on the fact that its content is created by the audience. Letterman uses the studio audience and the general public to create moments of superb comedy and satire. Here again, is an example of ONE. The audience is given a face and the viewer at home feels that he/she is participating in the show. (It’s a bit like looking in a mirror at someone you like.) This phenomenon illustrates the need for confirmation in interactive meetings between senders and receivers. “How many would use a mirror if they couldn’t see themselves?”

The same logic applies to Oprah Winfrey. When she recommends a book (such as this one) you can be sure that it will sell out the next day. When she gave everyone in the studio audience a Pontiac, the advertising and goodwill

was valued at over \$100 million. Women see themselves in Oprah; she is the pal that all brands long for. Imagine if all the program viewers were given the chance to design the give-away car via blogs between commercials or between programs. The result would be a car created by consumers, for consumers.

Common sense will always make sense

Always listen to a good idea from anyone regardless of his or her job title. The idea is the thing. Put some humility into your brand. Start with a new approach: talk to people who do not work with branding. Simplicity is a great tool for common sense in business. Use only basic words to describe your brand.

Regardless of the brand favored by consumers, common sense remains a useful competitive tool. At a talk I recently gave to some 60 shoe store managers, I wore one brown and one white shoe. During the last 15 minutes of the talk I placed myself so the audience could not see my shoes. When I asked the participants to say what shoes I was wearing, 15 percent were able to say they were different. It makes you wonder how much of an interest the stores take in their customers. When asked if they wore their own brands, only 30 percent answered yes. It makes you wonder if people believe in their own product, and whether it is here, at the level of basic values, that competition could become considerably more effective. Why not try similar tests in your own stores? (And send me the results.)

Customers are the world's fastest and most international medium. Call it story-telling or the grapevine or consumer power, but it's here now and it's the future.

Those who refuse to listen to consumers argue that consumers don't know what they want. Like all myths there is a kernel of truth in this reasoning. The fact of the matter is that once consumers get a little taste or even a whiff of something they like, they go after it with a passion. A good approach to introducing customers to your product or service is to let them have parts of it for free. A museum can have a free section to whet the customers' appetites followed by one with admission. Bring customers into a buying decision long before they need to buy anything.

In car sales, there is a direct correlation between the number of test drives and the number of sales. So, how do you get more people to take test drives? You could, for example, offer test drives as taxis. Customers call a car and drive themselves where they want with the salesperson sitting next to them.

Letting customers try a product out before they buy it ensures happy customers. It also turns the sales process into a sort of focus group to help the seller fine-tune his/her offer in real time.

Delivering the consumption experience is also about how you package it properly. Anita Roddick, founder of the Body Shop, started her first store in 1976 in Brighton, England, between two funeral parlors. People appreciated the irony of the name The Body Shop, but the funeral parlors saw it as ridiculing their businesses. Roddick was quick to play the PR angle of breaking taboos and crossing boundaries. The media is always interested in entertainment, especially news programs, and these sorts of stories always have great potential if packaged right. Today, The Body Shop has a long history of memorable PR and stores in 50 countries, although none, as far as I know, is located between two funeral parlors. In 1999, The Body Shop was voted the second most trusted brand in the United Kingdom by the Consumers Association (thebodyshop.com).