



*INTERACTivism*TM

How To Reach A Mass Market When Individual Customization Rules

White Paper



INTERACTivism™: How To Reach A Mass Market When Individual Customization Rules

White Paper

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At one time in recent history, most of the American market was neatly divided along geographic, economic, ethnic, gender or generational lines. The American market was fixed enough for sellers to stimulate product demand based upon that buyer’s demographic habits alone.

Today, Internet technology has decentralized information and disseminated influences so disparately across lines, a society of hyper-heterogeneous consumers has emerged, many with mutual interest, but with highly customized and individual tastes.

Technology has empowered the consumer so much so, the sellers’ market now has become *the buyers’ market*.

So now, how do you sell a single product—like a portable jukebox—to a diverse mass of people with specific tastes? You create the iPod and let them customize their play list, then watch product sales grow 900% annually over four years, accounting for more than half of your company’s overall growth. That’s how.

Customization is the order of the day. This White Paper will offer professional marketers and marketing enthusiasts plain-spoken theories on effectively designing a mass marketing campaign for a single idea or product, in an era when individual customization rules.

As you read this White Paper, remember this lesson plucked straight from the iPod generation: *The American market will be anything but static ever, ever again.*



Customization as a National Trend:

One of MTV's most popular shows, "Pimp My Ride," features host Xzibit, an affable and smiling throwback rapper from the early 90's, who surprises his guests with an automotive makeover. Xzibit's era redefined the slang word "pimp," which means to customize, make cool. For this surprise guest—a pre-school teacher—it's a dream come true: Along with her new platinum rims and embedded Jacuzzi in the trunk, she gets four flat-screen TVs to play children's videos, a miniature playpen equipped with Leap Frog components, and chairs that double as reclining beds. End result: This average, all-American, girl-next-door has been officially "pimped"!



Now everyone from Burger King ("pimp your burger" on www.burgerking.com) to the Chicago suburban eighth-grader wants to "pimp" their rides, "pimp" their sneakers, "pimp" their clothes, their computers, their lives. It's all about functionality, comfort and individual identity.

To understand the enormity of this growing trend, let's look at the nature of mass customization—its inception, evolution and growth—and the companies that successfully have followed suit:

Mass Customization

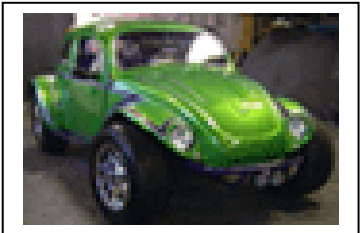
So, what is mass customization? Economist Stan Davis, who coined the phrase in 1987, refers to mass customization as when "the same large number of customers can be reached as in mass markets of the industrial economy, and simultaneously be treated individually as in the customized markets of pre-industrial economies."

In sellers' terms, mass customization can be defined as "enabling a customer to decide the exact specification of a product or service, and have that product or service supplied to them at a price close to that for an ordinary mass produced alternative."

The first part of this definition, the "involvement of the customer in deciding the exact specification" means that the relationship between the vendor and the customer is different to a mass production situation, whereby the vendor offers a product on a "take it or leave it" basis. With mass customization, the customer plays a much greater role in production outcome. This variability in product outcome may mean increased costs for the seller, but may also mean added value and increased customer satisfaction, implying brand loyalty and longer profits.

Only a decade ago, before the proliferation of the Internet and other communication technology, the buyer-seller relationship was more clear-cut. Geography, income, ethnicity, gender and age were the key determinants of buying habits. Once upon a time not long ago, only a certain geography of people were purchasing Timberland hiking boots; only a certain economic class of people purchased diamond-encrusted watches; only a certain gender bought lingerie, and only a certain age group cared about getting enough fiber in their diet.

Everybody's just... big pimpin' spending cheese"





Today, with the rapid growth in communication technology, word of mouth is key, as information has become completely decentralized. In an almost “swap spit” fashion, information is disseminated freely across the information superhighway, over the Internet, through cable and text messaging via cell phones. Styles, brands and tastes are tossed to and fro, landing in the most unimaginable places. Hence, the hyper-heterogeneous, über-hybrid consumer is born!



For the seller, this technology boom has meant two things: 1. A larger consumer base to market and sell their products and 2. Greater access for consumers to cost and compare their products (i.e., competition). It has been a double-edged sword that, for many, has meant success, while for others, has meant the end of the road.

So how can a company’s voice be heard amongst a chorus of millions? Customization. For companies reaping the benefits of mass production, the need to stand out becomes all the more imperative. Customization now rules the day.

It began with street wear and on certain websites. At the NikeID store—where their slogan is “Perfection is Personal”—one could custom design their own pair of sneakers. Then cell phones quickly jumped in the game, offering customers interchangeable color parts.

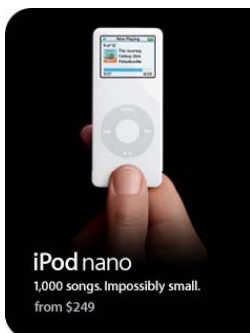
The U.S. Post office now offers personalized stamps, J. Crew offers kits for customizing jeans, On Demand television lets you cherry-pick shows. And on the LEGO-Factory website, children become toy makers, co-creating and designing the sets of their dreams.



But perhaps, one of the best examples of successful mass customization can be witnessed from the iPod business model. Apple allows customers to download music inexpensively from their music store and then store up 10,000 songs of choice onto an Apple-branded portable MP3 player. In just three short years, this hand-held custom jukebox has accounted for record sales, up more than 900% from the prior year, bringing the total sold to 2.8 million since the first model was introduced.

Apple's CEO, Steve Jobs, has stated that the success of the iPod remains the core of the company's growth. "We've done very well in innovating and creating new businesses, creating a \$1 billion business in a few years." This year, Apple has shipped 10 times the number of iPods than the year prior.

Apple’s quest for customization doesn’t stop there. Last year, they began outfitting the devices with colorful new jackets, including designs and graffiti art submitted by local artists online. Now, with Apple’s new creative design options, everyone, from artists, to athletes to corporate execs, have the unwieldy ability to not only customize their play list... now, they can actually “Pimp their iPods.”





Does Product Customization Lead to Brand Loyalty? *“The Great American Swinger”*

The Empowered Consumer:

In essence, customization has been a simultaneous response by both buyer and seller to establish a clear distinction in identity in an overcrowded marketplace (by sellers) and amongst one’s peers (by buyers).

However, if customization begins and ends with the buyer and seller—particularly if business is done over the Internet—what role, then does the marketer play, if the assumption is that customer satisfaction and brand loyalty already is achieved?

Actually, product customization by sellers doesn’t necessarily translate into brand loyalty among its buyers. Consider that with mass customization, the sellers’ market now has become *the buyers’ market*. Therefore, a customized market empowers the consumer with the very thing he will exercise quite freely: The power to choose!

In the words of Australian philosopher, Louise L. Hay, “The point of power is always in the present moment.”

The Role of the Marketer:

Imagine yourself, a marketing executive for Apple, taking a drive down I-2006 of the information superhighway. Your goal is to mass market a single product, the iPod, to a hyper-heterogeneous collection of people. You’ve cleared one hurdle by developing a product that easily can be customized to each buyer’s taste. But now, you need to develop a marketing strategy and you’re ready to survey the landscape.

Now, imagine whom you will see. You will be driving down a crowded highway past a collection of hybrid consumers: the multicultural, the subcultural, the urban, the suburban, the skate rockers, the conscious hip hoppers, the wealthy backpackers, Dirty South Crunksters, homosexual yuppies, bi-sexual buppies, the neo soulsters, the bling-blingers, and the list goes on and on.

Today’s young consumer is fickle. Today’s young consumer is downright savvy. Today’s young consumer is a blend of many influences. And whether they are 14 years old from Boston, or 31 years old from Boise, today’s young consumer is well aware of his equity amongst product marketers. Let’s face it: The iPod generation’s attitude is, “I am singular, I am unique, and you don’t *really* know me.”

Today, the marketer’s role becomes more challenging and more important than ever. Whether you are marketing a single product or idea (an anti-tobacco campaign for youth) or a customizable product (the iPod), brand loyalty still can be won, once you determine where the heart of brand loyalty lies.

*“The
Point of
Power is
Always in
the
Present
Moment”*



When Producer and Consumer Become One *Prosumerism*

So, how do you reach a mass and diverse market of people with a single campaign, when individual customization rules?

The keys to winning over the modern consumer are to:

1. Develop and maintain a keen awareness of their influences
2. Innovate in very creative and non-traditional ways
3. Allow the target consumer to co-author the campaign

Whether you're marketing a product that is customizable, or whether you are not, the smart marketer, the successful marketer will customize their campaign strategy to involve the consumer. This involvement of the customer in the design and production stage of a campaign means that the customer becomes a "prosumer," as described by futurologist Alvin Toffler in the 1970 book, "Future Shock." The prosumer is producer and consumer in concert, defining and producing the product.

If the image of a company's brand is the principal source of its competitive advantage and a valuable strategic asset, then the message should be clear: *We respect your experience and we value your input.* This message not only distinguishes the brand from its competitors in the minds of consumers, but also distinguishes it in a positive way.

The American Legacy Foundation's truth® anti-tobacco campaign, is a solid example of prosumer empowerment. Launched in 2000, truth® set out on its mission to "build a world where young people reject tobacco and anyone can quit." The campaign empowered prosumers by allowing a cross-section of young America to speak to their peers in their own language and on their terms. Many other brands, such as Puma, Converse, and Geico are allowing consumers to submit their own commercials or video footage touting the benefits of the product from their perspective. And most recently, Al Gore has launched Current TV, the first television network in history in which a significant portion of the programming is pooled directly from its viewers

Additionally, users that innovate—both individual consumers and user firms—have been found to be "lead users." That is, relative to other users in their populations, they are ahead of the majority with respect to important marketplace trends and expect to gain relatively high benefits from an experiential solution. This means that the innovations and tactics consumers develop for themselves will be of interest to many users, ultimately allowing the seller to "out-compete" in the marketplace.

The important thing to keep in mind is, that which may appear real and true to you the marketer, is relative to experience. Very rarely is the marketer's experience also the



"This involvement of the customer in the design and production of a campaign means that





consumer's experience. So, allowing the prosumer to co-opt his experience will provide invaluable lessons in relativity and far-reaching benefits that can change the entire course of your campaign.



INTERACTivism™ ***Applying The Laws of Relativity***

Early Concepts of Marketing:

According to economist Robert Bartels, marketing must be regarded not merely as a business practice, but as a social institution. Marketing is essentially a means of meeting and satisfying certain needs of people. It is a highly developed and refined system of thought and practice characteristic of a period in the development of market economy. A latent presumption in the practice of marketing has been that marketing gives to society more than society gives to it. The fact is that marketing is but one of several means of accomplishing a social objective.

Around 1910, the term marketing was added to the familiar terms distribution, trade, and commerce. Two of the men instrumental in initially starting this concept were Ralph Starr Butler and Arch W. Shaw. To Butler, marketing was a job of co-ordination, planning and management of the complicated relations among the various factors in trade that must be considered first by the distributor who wishes to build his campaign with care.

Shaw's conception of marketing was comparable and distinguished three basic operations in business: production, distribution, and administration. Shaw conceived marketing as "matter in motion."

INTERACTivism™:

Marketing as a fluid and changing matter in motion is a concept that has been applied from its conception until today, with the variable for change being the influences that dictate societal behavior. An in-depth understanding of societal behavior not only facilitates organic interface between brand and consumer, but also aids the seller in further empowering the consumer.

INTERACTivism is an evolutionary marketing methodology that places consumer empowerment and respect-for-culture first. This culture-conscious model has nothing to do with race, and everything to do with an intimate understanding of the societal influences that shape the individual and the larger community. This understanding of culture provides the "lens" through which GTM views the world; the logic by which it is ordered; and the "grammar" by which it makes sense.

INTERACTivism assumes nothing about the consumer except that what is real for the consumer is entirely relative to their present experience. This in-depth survey gives rise to a myriad of subcultures, all of which provide a more accurate gauge of how to market to an experience.

Columbia University Professor Bernd H. Schmitt was one of the first to lie out a challenge to marketers to move beyond the traditional "feature & benefit" marketing approach to wooing consumers. In his book, "Experiential Marketing" (New York:



The Free Press, 1999), Schmidt says that the most admired brand relationships have a strong emotional tie that forms the core of the lasting loyalty between consumers and the brand. He says that if the consumer can sense, feel, think, act, and relate to the product wholly, then brands will make a real impact with consumers.

Understanding the influences that shape consumer behavior and also allowing the consumer to co-opt his experience has become the winning formula for any successful marketing campaign targeting today's youth.

GTM... It Means A Lot, a subcultural media and marketing firm based in Atlanta, is one of the first agencies to recognize the importance of Interactive engagement in experiential marketing integration.

“Creativity and customization are key,” states Kembo Tom, VP of Ideas and Innovation for GTM. “We customize each and every one of our campaigns by drawing from the realities of that target audience. And since reality is relative to experience, we feel no marketing plan is complete without careful co-creation by those at the center of that experience.”

Beginning five years ago, at the cusp of the customization trend, GTM successfully applied this award-winning strategy to all of their campaigns for the likes of truth®, Verizon, Nissan and Current TV; targeting general, multicultural, sub-cultural and youth audiences, and saw winning results.

INTERACTivism uses culture and consciousness as an integrated system to promote commercial, social and cause marketing initiatives. By utilizing the principles of *interactivity* and *contextuality*, brands, ideas and individuals are advanced through shared meaning.

This highly successful method represents the evolution of marketing—emotional branding that empowers the consumer and cultivates affinity. GTM applies INTERACTIVE engagement via an inside-out approach, one that begins inside the agency and then realized through creative outreach.

INSIDE

1. Cultural Anthropology: A virtual “think tank” of sorts, cultural anthropology operates under the premise that general market studies—and even focus groups—are fast becoming survey dinosaurs! Instead, GTM works with “un-focus groups,” an immersive, experiential education that examines everything from family, to religion, economics, gender, drugs, politics, education, music and power. These deep dives into real-world research, amongst many other criteria, are accounted for when determining the cultural anthropology of a target market. In essence, GTM dives into the true sub-culture markets that are often overlooked when targeting a focus group.

"Put your hand on a hot stove for a minute, and it seems like an hour. Sit with a pretty girl for an hour, and it seems



Fluid but forceful, GTM’s methodology uses important principles revealed by studying culture and consciousness, as a whole integrated system interacting with the world to promote commercial, social and cause marketing initiatives. By utilizing the principles of *interactivity* and *contextuality*, we show how brands, ideas and individuals can be advanced through shared meaning. Shared meaning implies that cultural, individual, social and cognitive aspects must be considered to achieve major success in our global society.

Achieving even a limited amount of shared meaning is an awkward task, and an art unto itself. To paint the picture, GTM undertakes the following education:

- ❖ Innovation Studies
- ❖ Human Judgment Theory and Practice
- ❖ Market Research
- ❖ Preference Analysis and Prioritization
- ❖ Futurist Forecasting and Foresight
- ❖ Culture and Consciousness Cues
- ❖ Conflict Resolution
- ❖ Emotional Intelligence

2. The GTM “Innovation Squad” is a true reflection of the diversity of thought and background (age, race, culture, gender) of the outside world it represents. Cultural diversity is more than idea worthy of discussion yet not practiced within the agency, it is realized right inside of the agency. When you speak of experience, GTM’s Innovation Squad has really “*Been there. Done That.*”

OUT

1. Experiential Marketing and Emotional Branding—
 1. **Emotional Branding** and
 2. **Experiential Marketing**

Emotional Branding—Leverages “sensory experiences” so consumers can bond with brands in an emotionally profound way. This is done by:

- A. Creating a unique and compelling strategic, visual, tactical and verbal vocabulary that enables the brand to stand out from the competition and win people’s hearts
- B. Allowing consumers to create *their own* emotional bond with a brand by conveying brand messages in their own language and through their own mediums.



Experiential Marketing—Engages the emotions, sensibilities and participation of the target audience as they experience the product. This is done by:

- A. Identifying the settings where the product would have the greatest authentic impact
- B. Allowing the audience to touch, feel, hear and see themselves participating in bringing the brand to “life”
- C. Targeting and engaging *influentials* in the subculture of the respective audience first, to validate the experience and speed-up word-of-mouth surrounding the product.

Emotional Branding is about first, eliciting a very specific emotion to engage the consumer. Whereas, Experiential Marketing is about first, actively engaging the consumer to elicit emotion. Both of these engagement approaches are fused into *INTERACTivism*TM because the consumer is always an active participant who co-opts the marketing strategy as a whole. Finally, creative execution is the bow that ties it all together...

*INTERACTivism*TM operates on the premise that, in a technologically advanced, emotionally underdeveloped world, everyone—young or old, white or black, rich or poor—has one thing in common: A deep desire to be engaged. Recognizing this, GTM refined the art of using direct, hi-touch, non-traditional *INTERACTiOn* to engage individuals and solidify branding. They use this “experiential interaction” to make indelible impressions and connect to the lifestyle, culture and consciousness of consumers. In this way, *INTERACTivism* is achieved.

2. Integrating Lead Users—GTM integrates “Interactivists,” the lead-users and innovators of that target market, not just catchy, pop-celebrities. For example, if targeting a brand of video games or skateboards, draw in the nation’s top gamers or the top female skateboarder into the campaigns development. Interactivists are equipped to enlighten, inspire and empower people through organic, emotionally profound, full sensory experiences.

Relative to other users in their populations, leader users are ahead of the majority with respect to important marketplace trends and expect to gain relatively high benefits from an experiential solution. This means that the innovations and tactics consumers develop for themselves will be of interest to many users, ultimately allowing the seller to “out-compete” in the marketplace.

3. Cause Marketing—GTM always incorporates a cause-marketing component into every campaign. This “responsible marketing” takes into account the need for corporate citizens to show they’re appreciation for those who support their business. GTM tries at all times, to identify and highlight any positive social impact an



outreach campaign can have, while allaying or avoiding any negative backlash encountered during campaign activity (crisis control).

“Early on, we recognized that in order to reach the Young Digerati, Generation X, Y and Z consumer, we would have to walk a fine line between piquing their sensibilities, while also putting them in the driver’s seat,” states Courtney Counts, GTM’s VP of Marketing and Cross Cultural Communication.

From a marketing perspective, sellers cannot afford to assume the tastes and forecast the trends of a target market, for consumers’ tastes change as quickly as technology evolves. Successful branding requires the ongoing participation and integration of the ever-evolving consumer.

While a host of agencies and firms play in the experiential arena, only a select few appreciate the art of engaging with integrity and intelligence—the essence of individuals and their emotions. Creativity has become the new currency for Millennials, the Young Digerati and the world-at-large, and *INTERACTivism* is the new inspiration for consumers to act.



Case Studies:

*INTERACTivism*TM has been the cornerstone of (correct spacing) GTM's success with (correct spacing) what has come to be known as one of the most effective, creative and memorable campaigns in recent years.

Case Study # 1:

Campaign: The truth® Campaign, 2001

Client: American Legacy Foundation

Challenge:

To create a national, grassroots, tobacco awareness campaign that gives the 12- to 17-year-old multicultural, GLBT and general youth market information about cigarettes and tobacco, which lets them make up their own minds about whether or not to smoke.

To brand truth® as a badge of honor, proudly worn by independent-thinking youth

*INTERACTivism*TM: Emotional Branding

Solution:

GTM recognized that teenagers go against the things adults tell them. So, to connect with the culture and consciousness of the target, GTM asked the youth, *What would you need to hear to make you not smoke or quit smoking?* They gave many answers from many perspectives. Teens became the prosumer, and GTM let them tell all.

To generate the highest peer-to-peer impressions possible, and keep the brand fresh and innovative, a group of multicultural, multi-talented, young men and women were selected from across the country to become brand-trained *INTERACTivists*TM and truth® Crew Members (TCM's). To reach the target audience in mass, the truth® team traveled with the AND1 Streetball and VANS Warped Music tours, which ran for ten (10) and eight (8) weeks respectively.

- **Result:** The 2005 truth® Orange Summer Campaign directly touched a combined 850,000 teens in 30 cities (AND1) and 44 cities (VANS Warped) over the eight (8) and ten (10) week tour periods respectively. The truth® Orange Summer Campaign captured 17,000 email addresses and distributed over 80,000 branded premiums to the targeted demographic.

- According to the March 2005, *American Journal of Public Health*, the truth® anti-tobacco campaign accelerated the decline of youth smoking rates between 2000-2002 by twenty-two percent (22%), resulting in roughly 300,000 fewer youth smokers in



2002.

Hundreds of youth stayed centered on the truth® truck, often for hours at a time, generating over 80,000 frequency impressions per city

In the end, there were no balloons, banners or confetti, no hot celebrities or cool MTV graphics: just teens from all backgrounds reaching out to other teens in a television campaign that was anti-glamorous, anti-big business and ultra successful.

In partnership with the American Legacy Foundation, the truth® campaign received the following awards:

- The Guerrilla Marketing Campaign of the Year - Brand Week (2001)
- The Gold Reggie for Cause Marketing - PMA (2002)
- The Grand Effie - New York AMA (2003)*Overall campaign award
- The Award for Achievement and Diversity- Boston AD Club (2003)

Case Study # 2:

Campaign: *The Real Gilligan's Island* “How Do You Get Off?” Campaign, 2005

Client: TBS

Challenge: To Increase the 18-49, viewing audience composition for the TBS original series launch of *The Real Gilligan's Island - Season 2*, a reality show about 8 contestants who are shipwrecked on an island and competing to see who can “get off” first.

INTERACTivism™: Emotional Branding and Experiential Marketing

Solution: To maximize emotional branding and experiential marketing opportunities, GTM created the “How Do You Get Off” grassroots marketing and Guerrilla Media™ campaign, that was highlighted by the design and installation of a “live” billboard advertisement on top of one of the most visible buildings off of the Brooklyn Bridge. The live art experience (a mixed medium of graffiti, paint and live appliqués) was coined the ILLBOARD™, and was brought to life by young, local artists. The ILLBOARD™ advertisement for “The Real Gilligan's Island,” had an authentic urban flair. As the ILLBOARD™ was created live, a DJ played hip-hop music while GTM's INTERACTivist™ team handed out flyers for the show, asking passers-by “*How Do You Get Off?*” the tagline GTM created for the show.

The “*How Do You Get Off?*” grassroots marketing campaign activated INTERACTIVE street marketing teams in five (5) markets (Atlanta, Chicago, Cleveland, New York, and Philadelphia) to engage the target demographic at key locations, events, concerts, festivals, night life spots, and clubs. The INTERACTivist™ team distributed 25,000

INTERACTivism™



Bone Crusher remixed CD's of the "Gilligan's Island" theme song, 50,000 flyers, installed 2,500 posters, and distributed hundreds of highly requested t-shirts.

Results:

- The premiere night telecast audience composition more than tripled that of the first season premiere night episode.
- The run of original primetime episodes grabbed +67% higher audience composition
- Overall, all telecasts audience composition grew from 7% for season 1 to 9% for season 2
- TBS won 2nd place in the Case Study category at the *Excellence in Multi-Cultural Marketing Awards* for their use of innovative marketing strategies in "The Real Gilligan's Island" Season 2 campaign



Summary

“In A Nutshell”

The new millennium marks more than a turn of century, it marks a new beginning. Technology has ushered in an entirely new era of media communication in which many more voices are heard, options are presented and choices are made with the simple click of a mouse.

Customization rules. For sellers, customer co-creation has served to improve product quality, and build consumer confidence, providing for them greater opportunities to “out-compete” in the marketplace. For consumers, customization has empowered them as buyers, and reinforced their ideals, while giving them a sense of individual identity.

INTERACTivism™ employs the customization model through creative, emotional branding and procures affinity by organic integration of the consumer’s experience into the marketing strategy.

The message should be clear: *We respect your experience, and we value your input.* This message not only distinguishes a brand from competitors, but also distinguishes it in a positive way. *INTERACTivism™* is not a revolution in marketing, but instead, the *evolution of marketing*. It is a catalyst for cross-pollination between consumers, culture and commerce. For GTM, it is a Guerrilla Media™ methodology, and yet, a grassroots way of thinking that has helped shape some of their most creative, successful and memorable campaigns to date.

Flexible and fluid, *INTERACTivism™* is the future of face-to-face marketing: By customizing every marketing strategy through customer co-creation and peer-to-peer communication, the marketer tells the consumer that it’s about more than making them believe in their brand, it’s about showing that the brand believes in them... And that, at the end of the day, for both seller and buyer, is where the core of brand loyalty lies.

