



Marketing Predictions for 2010

Musings on What to Expect in the Coming Year

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Contributors



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Equal parts marketer and futurist, Greg Verdino is a recognized expert on marketing innovation, emerging media and Web 2.0. Before joining Powered via its acquisition of crayon, Greg worked as the chief strategy officer helping companies ‘join the conversation’ through the power of community, dialogue and partnership. At Powered, Greg will play a similar role as VP of strategy and solutions. In addition to his work at Powered, Greg is currently working on his first book, *microMARKETING: Get Big Results by Thinking and Acting Small*, due from McGraw-Hill in late summer 2010. Greg blogs at <http://gregverdino.com>.



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Kevin is an entrepreneur who enjoys building companies and business units to tackle new opportunities on the edge of technology and marketing. With 13 years of experience creating solutions, partnerships and channels in areas such as supply chain, human resources and internet marketing, Kevin understands the needs of large companies. As co-founder and principal at StepChange Group, Kevin focuses much of his energy on direct and channel selling targeting Fortune 1000 Retailers.



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One of the most sought-after consultants, speakers and thought leaders on marketing, new media and social media, Joe Jaffe is Chief Interruptor of Powered. Previously, Joe founded and ran crayon, a strategic consulting practice, which was recently acquired by Powered. Joe is also the author of two books, *Life After The 30-Second Spot: Energize Your Brand With A Bold Mix Of Alternatives To Traditional Advertising* (Wiley/Adweek, 2005) and *Join the Conversation: How to Engage Marketing-weary Consumers with the Power of Community, Dialogue and Partnership* (Wiley, 2007), with a third to be published in February of 2010 called, *Flip the Funnel: How to Use Existing Customers to Gain New Ones*. *Flip the Funnel* presents a powerful hypothesis that retention can become the new acquisition through the strategic incorporation and elevation of customer service, customer experience and customer initiated word-of-mouth, content creation and incentive-based referrals. Joe blogs, video blogs and podcasts at <http://www.jaffejuice.com> and <http://www.youtube.com/jaffejuicetv>.

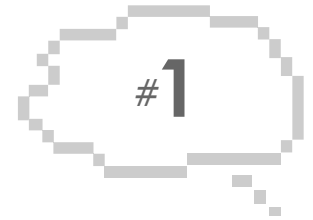


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As the head of marketing at Powered, Aaron focuses on day to day marketing activities and provides a social voice for the company. In this role, Aaron continues his speaking, blogging, podcasting and social networking activities with an eye toward creating awareness and lead generation for the company. Prior to joining Powered, Aaron spent 13 years working in senior marketing roles at Mzinga and Fidelity Investments. Aaron also maintains a blog focused on marketing and social media called Citizen Marketer 2.1 and hosts a weekly show called the Quick-n-Dirty podcast with ZDNet blogger, Jennifer Leggio. Aaron's blogs and podcasts can be found at: <http://stroutmeister.com>, <http://powered.com/blog> and <http://blogtalkradio.com/quickndirty>.

Social Media Gets Down to Business

by **GREG VERDINO**, VP Strategy and Solutions
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I think it's time to admit that for the past couple of years, we've had it pretty easy. Before you think I'm crazy, hear me out. I'm well aware that the recession slashed our budgets, hammered our headcount and applied an almost unprecedented amount of pressure to deliver outsized results with whatever it was we had left. But when it comes to social marketing in particular, we've been getting a bit of a free ride.

In 2009, most companies still looked at social as an inexpensive, experimental, nice-to-have tactic. They knew it was no longer a good idea to sit "this social media thing" out, but ticking boxes on an innovation checklist often took the place of rigorous planning and results-oriented thinking. When so-called social media experts weren't trying to convince one another that now might be a good time to invent some new-but-not-improved definition for the generally accepted success metric ROI, they were chiding naysayers with flippant questions like, "What's the ROI of putting on your pants in the morning?" If this doesn't sound like you, congratulate yourself for being ahead of the pack.

But for everyone else, welcome to 2010: the year social media gets down to business. This year, we'll see more companies go beyond flavor-of-the-

month tactics to approach social marketing from a strategic perspective, considering both where it fits within the integrated marketing mix and (more importantly, from my perspective) how social thinking gets infused into *all* components of the customer experience—from the first awareness impression through every last post-purchase interaction. We'll see marketers think about how social can deliver against their company's key business objectives and then design sound programs that actually do exactly that. (Hint: "Get on Twitter" is not a key business objective unless you're Biz Stone; increase customer satisfaction, retention and repeat purchase are.) And finally, we'll see a serious focus on accountability. When social media was on the fringe of the marketing roadmap, we got away with playing around. Now that it sits squarely in the mainstream, it has to work hard.

I'll admit my prediction isn't as sexy as others you're likely to read this time of year (give it up for mobile social, geolocation and augmented reality, everybody) but I can guarantee that this is the one that must come true if we all want to be sitting around the table peering into the crystal ball at the start of 2011.

Mobile Becomes the First Screen

by **JOSEPH JAFFE**, *Chief Interruptor*
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As I mentioned in episode 34 of Jaffe Juice TV, the debate of when the “Year of Mobile” will occur is officially over. Mobile is here. And we have the iPhone to thank—along with its rabid pack of challengers (Verizon’s Droid, the Google Nexus One, the Palm Pre, the list continues)—for this exponential ramp up.

For too long, the industry speculated about mobile and arguably remained in the dark based on a flawed and narrow-minded lens of looking at mobile as an ad medium or platform. Instead, mobile has emerged as anything but: a dominant utilitarian-based mechanism where an “App”le-a-day seems capable of keeping boredom away; a sublime ubiquitous tool that delivers strongly against my 6-C model (see my book, “*Join the Conversation*”) of content (Kindle), context (GPS and self-selected geo-targeting), commerce (from paid apps to mobile shopping), community (the rise of mobile social), customization (push alerts and notification) and finally conversation (Tweetdeck and the like).

I’ve often referred to mobile not as the third screen, but the third place. Think about it for a moment. If TV or the Web dominates home and the Web dominates work, then what device or medium rules everything else in between, e.g. on

the road, in the gym, on a plane or train? The answer is unquestionably mobile. In addition, younger consumers would absolutely not refer to their mobile phone as their third screen from a prioritization standpoint. Neither would a litany of countries that don’t enjoy pervasive, always-on broadband connectivity and/or a critical mass penetration of PC’s.

Now I’m going to take it one step further. I believe we’re going to see an accelerated march toward mobile serving up a whopping 1-2 punch of both third-place dominance and first-screen prioritization and importance. And to be completely honest, it doesn’t matter whether 2010, 2011 or 2012 is the year that this “prediction” is proven to be 100% accurate. What does matter is that you begin to ramp up your investment and efforts to lead by example in the mobile category.

Put practically and tactically, if you don’t have an iPhone App, you need one. Now. I’d recommend a parallel path strategy of a “get in the game” and a “game changer.” Perhaps you’ll be fortunate enough to do both concurrently, but either way, it’s going to be critical to put a firm stake in the fertile mobile ground, and when you do, you’ll be able to leverage the unprecedented opportunity of being always on and always with your consumer, no matter where they are.

Real-Time Converges with Geolocation

by **JEN van der MEER**, *Principal Drillteam*, A Powered Company



Where are you, right now? If 2009 saw the rise of the real-time Web, 2010 will see real-time converge with your current location, untethered from your laptop or desktop computer. The potential for brands cannot be overstated, and early experiments in real-time, geolocated marketing are already driving measurable business results.

Geolocation—the ability to pinpoint the real-world, geographic location of a device—has been with us for some time, but the emergence of location-aware smartphone applications represents a game-changer whose business implications are just now beginning to be explored. For example, mobile-based social network Foursquare gives small, independent retailers the ability to post local offers to people in the neighborhood, such as free Wi-Fi at a coffee shop or a free soda with the purchase of a hot dog.

Now consider the potential of real-time, socially driven behavior and conversation within the context of geolocation. In addition to locating your friends, you can also identify nearby restaurants (with available space) that are happy to accommodate you and even tell you their daily specials. Or, envision an app for bargain shoppers that lets retailers and consumers converse to locate the best President's

Day sale in the Garden State Plaza in Paramus, NJ on President's Day.

Shopping tips, offers and coupons are no-brainer value-adds that will fit easily into mobile-based social networks, so long as they are relevant, reciprocal and opt-in. But the real promise for brands is moving beyond marketing messages to connect their fans to their passions, discoveries and sensibilities. For example, imagine you are at the SXSW music festival and, through an app provided by a brand sponsor, you're able to avoid an overcrowded gig and instead tipped off to a just-discovered band at a lesser known venue just a few blocks away, all through real-time, geolocated data.

Nor does data necessarily have to come from humans. Devices can also report their status in real-time. Much of the investment in Silicon Valley-based clean tech has been in home energy meters that send data about a household's energy usage to the Web. The end result is measured not as message, "change your light bulbs to a greener alternative," but as action and real-time benefit, "see how much energy and money you are saving now that you've changed your light bulbs."

Essentially, real-time + geolocation moves beyond mere messaging to enabling behavior change, a powerful combination. Experiential marketing just got turbo-charged.

Facebook Connect

by **AARON STROUT**, *Chief Marketing Officer*
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In 2010 Facebook Connect will play an increasingly important role in the ways brands connect with their customers and other constituents on Facebook. For those not familiar with Facebook Connect, this service essentially allows users to authenticate on third-party sites, communities and blogs using their Facebook credentials. The benefit for both sides is that Facebook Connect lowers the barrier to entry for sign-up (little to no additional information needed) and, more importantly, it permits users to pull content, activity and conversations back into their Facebook newsfeed.

The reason I'm bullish on this concept is twofold. For one, Facebook Connect has already demonstrated its ability to increase traffic back to one's site dramatically (just Google "Huffington Post Facebook Connect" for some real-life stats). Secondly, Facebook Connect facilitates the natural sharing of branded and consumer-generated content back into one's Facebook newsfeed. With north of 350 million members on Facebook, it doesn't take long to see the power of compounding when content gets shared in a viral nature—most importantly, coming from an individual versus from a brand. This doesn't preclude a need for a corporate presence on Facebook, but rather will reinforce a brand's "social awareness," assuming the fan page creates value.

Facebook Connect lowers the barrier to entry for sign-up... and, more importantly, it permits users to pull content, activity and conversations back into their Facebook newsfeed.

Local Goes Loco

by **KEVIN TATE**, *Principal*

StepChange, A Powered Company



The promise of “local” has been taunting the Internet for over a decade. Consumers want the Web to treat them like it knows who and where they are—and marketers yearn for the day they can target digital offers and content to the real-time world (“Hey you, standing outside our new restaurant! Here’s a free glass of wine if you’ll come try us out!”).

True local hasn’t yet come to pass, largely because the right mix of technology, consumer behaviors and business models has never quite gained enough critical mass to get the snowball rolling. But this year, I think it will, for a number of reasons:

First, the required technology is (finally) becoming ubiquitous. Local hinges on truly engaging mobile experiences, and until this latest wave of app-based experiences on iPhone/Blackberry/Android devices, those were few and far between. Sure, folks got excited about local marketing back when SMS and WAP came around, but the hoops a consumer had to jump through—even recently—were often laughably unrealistic. This year, the number of people walking around with high-resolution, connected and location-aware devices is certainly going to represent critical mass.

Second, consumer behaviors are shifting—rapidly—toward a kind of perpetual connectedness. Walking through midtown Manhattan recently, I was suddenly aware of how many of us in the sea of pedestrians were walking with our phone in our hands. I’d wager it was close to 50 percent. Some were talking on their phone, some were walking with their phone held out in front of them, some were stopped and using the phone in a concentrated

way—but all were connected and engaged directly with device. And that’s while walking down the street. As soon as people find themselves standing in line, I’d bet the number jumps north of 75 percent.

This is significant because in order for local marketing to be effective, people must be in a position to give it attention—if they choose—wherever they are and (almost) whenever it is. Local didn’t work back in the days when phones stayed turned off in purses and bag, but those days are ending.

Third and finally, the business models are coming—fast. Yelp, Foursquare, Google Maps, Gowalla—these and others are very quickly testing and refining models that bring together marketers and consumers in a hyper-local way. In the process, they are (finally) exploring meaningful value exchanges that will likely evolve toward familiar marketing concepts such as loyalty (Foursquare’s “Mayor”) and referrals (Yelp).

This migration toward familiar value exchanges in a new local context is important because it paves the way for familiar business models (read: money). Once businesses, large and small, are presented with a predictable and measurable way to influence their target audience on a time-and-location basis, the floodgates will open.

So, I believe 2010 will be the year we look back on and say, “That’s when local took off.” By then, instead of dropping our business card in a vase at our local bakery, we’ll be hitting “accept” on a “GowaSquaYelp” coupon for their loyal fans before we even get to the register.

Branded Online Communities

by **AARON STROUT**, Chief Marketing Officer
Powered, Inc.



2010 will be the year of the branded online community. My basis for this prediction is the fact that in the third quarter of 2008, right before the wheels fell off the economy and marketing budgets got cut to the bone, brands were starting to embrace branded online community. While it's true that in the 400 days between Q3 2008 and the beginning of the next decade, lack of budget and a little creativity drove brands to focus on third-party social networks like Facebook and Twitter, many are still struggling to figure out how to derive value from these conversation hubs.

While recent research done by ComBlu (subsequently blogged about by my podcast partner, Jennifer Leggio) shows that many corporate communities have not evolved, leaders in the space like Sears, Bank of America, AT&T and our customer, Sony, will show other companies the way. To me, there are four crucial elements companies need to ensure a successful community:

1. A well thought-out strategy. Who are the people a branded community is trying to attract? Be careful of being exclusionary. How do they plan to engage them? What value will they deliver and what is the company's value proposition?
2. Great content. While consumer-generated content has its place, brand-contributed content that is educational and lifestyle-oriented is a key catalyst in helping to drive community loyalty.
3. Strong management. This can come in the form of moderation, but in many cases, requires someone to lead the charge. This someone nurtures and tends to the community needs and ideally helps foster conversation.
4. Integration with third-party social networks, blogs and other relevant Web 2.0 properties.

One caveat I'll add is that as branded online communities evolve, they will begin to look less and less like microsites and will eventually subsume and replace corporate Web sites. Apps and mobile will also free community from its boundaries and allow people to update, cross-post and engage with the community whenever and however they like.

Facebook Turns Inside-Out

by **KEVIN TATE**, *Principal*
StepChange, A Powered Company



Facebook has often been referred to—usually derisively—as a “walled garden,” which is mostly a fair critique. However, that same walled-ness is what allowed them to create a uniquely effective social marketing landscape. So it’s not all bad.

I predict 2010 will be the year Facebook explodes beyond its “walls” and emerges as an ever-present Social Identity Platform, no longer constrained to a specific, albeit large, corner of the Web.

The fact that Facebook has made public their plans for the OpenGraph API in early 2010—which should effectively allow any Web page/property to function as an extension of Facebook—makes this a rather predictable prediction (Is that an oxymoron, or is it redundant? Hmm...). However, I believe OpenGraph will only be the catalyst, not the end state. The important shift I foresee in 2010 is from “Facebook as a HUB for social momentum” to “Facebook as an ENABLER of social momentum” anywhere on the Web. Here’s what I mean:

Today, if you want your brand or campaign to participate in Facebook’s reach and momentum, you have to put that program inside—or at least very close to (via Facebook Connect)—Facebook itself. Thus, the rise in popularity of Facebook Custom Tabs, Apps and Connect implementations that allow a brand to flow a program’s momentum through Facebook (usually the wall/stream) in order to dramatically amplify their exposure and engagement.

With OpenGraph and Facebook Connect as the catalysts, marketers will be able to use Facebook tools to create that same amplification and engagement on their own turf.

In 2010, with OpenGraph and Facebook Connect as the catalysts, marketers will be able to use Facebook tools to create that same amplification and engagement on their own turf (e.g. their primary Web site, or a microsite) rather than needing to flow the momentum through Facebook itself.

From a marketer’s perspective, this will effectively turn Facebook inside-out, and will dramatically expand the range of Facebook-powered, social consumer experiences—since those will no longer be constrained by the specific properties and attention landscapes of today’s Facebook. The sky—rather than the “wall”—will truly be the limit.

Marketing to the Pack

by **JEN van der MEER**, *Principal*
Drillteam, A Powered Company



In 2010, we expect to see a dramatic shift in the focus of our advocacy marketing efforts. For 10 years, we've been marketing to fans: fans of brands, fans of movies, fans of bands, fans of causes, fans of lifestyle interests. Our efforts have centered on creating communities around these social focal points—fans organized around a thing, cause or interest. But lately we've noticed an emerging trend among young adult consumers: the rise of the pack.

What is a pack, and how is it different from a swarm, mob or crowd? Packs are raised together. Swarms, mobs and crowds self-organize around a common theme or interest, and then get to know one another. Packs already know one another, and want to spend life together.

We first noticed this pack behavior when a group of mommy bloggers contacted us regarding one of our brand clients. These mommy bloggers were fans of the brand, but they wanted more than an advocacy program, Facebook fan page or experiential blogger camp. They were more interested in seeing the brand as a support for their lives, and when they approached us seeking the brand as a sponsor for their online and offline activities, they did so not individually, but as a pack.

It can be hard for us Gen X+ people to understand. We've adopted these technologies later in life, and used them as a way to reconnect with our friends and (sometimes awkward) acquaintances from childhood. But the behavior is entirely different for peer groups that have come into adulthood on MySpace and Facebook, and

remain connected as they grow older together. We only have anecdotal evidence to support this trend, but if we extrapolate these stories, we see a whole new challenge for marketers:

- A summer camp owner is asked to organize an evening to educate a group of young parents, all of whom are friends and who have kids the same age. Will they be able to send all of their kids to the summer camp as a large extended group?
- A connected group of party promoter friends asks a brand to fund their music festival travel costs in exchange for hosting parties that prominently feature the company's product.
- A group of twenty-something friends, unwilling to wait for the housing market to recover, pools their money to buy their first home.

It is a well-known fact that advice from friends and family is the most common resource consumers seek when making decisions on homes, entertainment systems, vacations and other purchases. Within the pack, the dynamic changes, and decisions are made within a group conversation that extends both on and offline. In this environment, active peer pressure becomes the most powerful force motivating purchase decisions, and the ability for brands to speak to the pack, converse and negotiate with the pack, becomes a critical factor for success.

What about your brand? How will you market to the pack in 2010?

Rise of Customer Service as *THE* Strategic Differentiator



by **JOSEPH JAFFE**, *Chief Interruptor*
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I'd love to be so bold as to make a sweeping statement to the tune of, "2010 will be the Year of Customer Service," but truthfully—even though I'd be 100 percent correct—I'd be both stating the obvious *and* essentially denying one of those inalienable universal truths that separate the business also-rans from the true market leaders.

That said, the same could be stated about the very nature and importance governing word-of-mouth itself, and yet an entirely new category has mushroomed around the concepts of peer-to-peer influence, networking and buzz.

How do we reconcile the two? The concepts themselves may not have changed in terms of their fundamental meaning and role, but the amplification and distribution mechanism, processes and tools have almost irrevocably been transformed and forever altered. I strongly believe that customer service will not only become a key strategic differentiator, but arguably *THE* key strategic differentiator.

We all subscribe to the importance of providing "satisfactory" customer service, even great customer service. Some of us even surprise and delight our customers with exceptional customer service capable of turning loyalists or advocates into raving fans, even powerful and credible "salespeople." What we haven't seen (until now) is the ability to formalize, scale and harness this capability and potential through the power of social media, transparency and fluid "customer contact management."

There are countless examples of where this is

demonstrating proof positive results, but in reality, it's the negative cases; the ongoing corporate blunders; the inexcusable corporate apathy and inability to engage passionate and emotional customers that have had the most lasting and tangible impact on business equity and value. Happy or unhappy customers will be difference makers this year and in years to come. They'll make or break you. Expect more and more companies to recognize the profound overlap or duplication between social media, word-of-mouth and customer service, and to take dramatic steps to version or implement commitment-based listening strategies that are uniquely customer-centric by nature.

This is not your grandfather's customer service we're talking about. I'm talking about a general awakening within marketing that all the awareness advertising, reach-based paid media or even integrated marketing communication in the world is in essence meaningless if there is no follow-through, follow-on and ability to retain and grow customer relationships. There's no point fishing (where the fish are) if your net is full of holes.

Expect customer service to become *THE* key strategic differentiator that not only takes its rightful place at the planning table, but may quite possibly lead the process. Customer service is going to become a proactive and dynamic rule of engagement that telegraphs a brand's intent, depth and purpose a mile away.

How well you service your customers will become synonymous with how well you fare in the marketplace. Plain. Simple. Truth.