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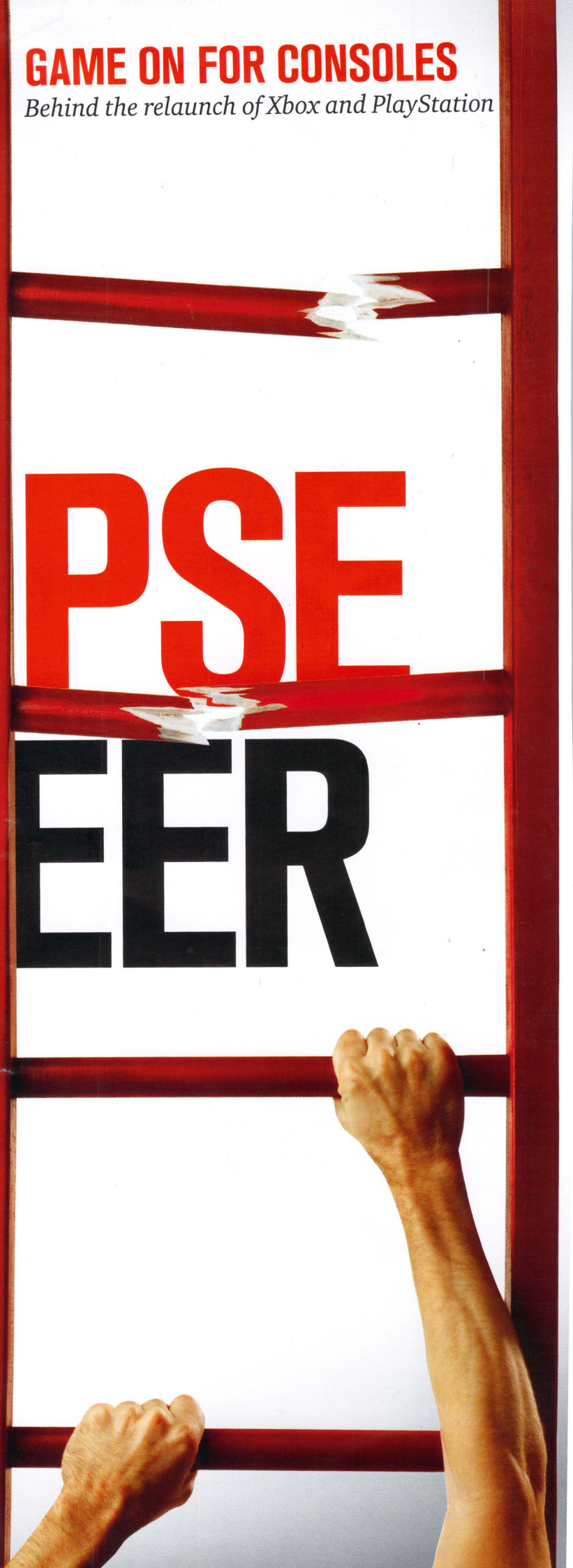
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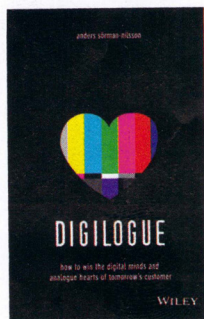


EXTRACT

How to win digital minds and analogue hearts of customers

The digital media channels that a business can use to connect with customers are multiplying, and they can be forgiven for focusing on them. But in this rush to embrace customers' digital minds, are businesses ignoring an equally valuable asset: their analogue hearts? In a new book, futurist, innovation strategist, and keynote speaker at TEDx, Anders Sorman-Nilsson, says digital disruption will upend all industries in the near future; however, we cannot simply throw the analogue baby (our sense of tradition, brand equity, and profitable channel communications) out with the digital bathwater.

In this extract from *Digilogue – How to Win the Digital Minds and Analogue Hearts of Tomorrow's Customer*, Sorman-Nilsson takes inspiration from the examples of Google and Apple.



Anders Sorman-Nilsson's book details global cultural change and how to bridge the digital divide for business success.

- We tweet, status update, and check-in in virtual life but sometimes we forget about real life. Being present comes at a premium today. We are distracted from distraction by distraction. An intellectual diet of 140-character statements is the equivalent to a diet of fast food. Quick sugar rush, yes, but a creeping sense of void, of a lack of substance, depth and true sustenance. Despite the best efforts of the Twitterati to summarise our greatest works of fiction in tweets, I still much prefer to read *The Great Gatsby* in an old paperback. Why? Because it speaks to the heart.

Home delivery and fast food didn't kill fine dining and incredible restaurant experiences. They just meant people demanded more of the analogue, in-store experiences. There is massive opportunity for the analogue. Remember – our minds may have become digital, but our hearts are still analogue. This is critical. Digital minds; analogue hearts. Sometimes brands and leaders focus too much on the digital bling and forget about the analogue thing. In your rush to innovate, to be on the leading edge, to



be connected, you must remember that you cannot throw out everything that's analogue. If you want to speak to the heart, retain the essence of the analogue. If you want to connect profoundly with your clients, and keep them loyal, speak to the heart. Digital minds, yes – but analogue hearts.

Digitally disrupted brands

Smart digital brands get this. If I said 'Google' to you, would you think digital or analogue? Most likely, you'd think digital. Google is one of the great digital disruptors today. If you are forced into competition with Google, you may soon be out of business. Think of struggling or digitally disrupted brands like Yellow Pages, Nokia, *News of the World*, Borders, Kodak, Netscape, NAVTEQ and MapQuest.

There is constant debate about whether Google's success as a disruptor should be stymied because it's on the verge of engaging in anti-competitive behaviour – in other words, being overly competitive. While search engines were its original domain, Google has since expanded into advertising (Google AdWords), media

(YouTube), books (Google Books), news (Google News), maps (Google Maps), data storage (Google Drive), digital photography (Picassa), social networking (Google+), operating systems (Android), computers (Chromebook), browsers (Chrome), mobile banking (Google Wallet), phones (Nexus) and telecommunications (GoogleVoice). What am I missing?

Yet, no contact phone number is listed on Google's central home page dedicated to organising the world's information. Google provides value to our digital minds, yet how does it connect with our analogue hearts? Maybe it's nailed the digital value piece to such an extent that it doesn't need to?

No, Google needs to. Remember – digital minds, yes; but analogue hearts. This is why I was amazed at what I found in the snail mail one day. The innovation was very thin. Thinner than the latest iPhone. It was revolutionary. It was a flash of innovation genius. You could hold it in your hand, between two fingers. Amazing. Insert whatever hyperbole you like. It was a printed,



of Google and its employees. But they are very elusive. In some ways, the organisation is devoid of humanity on the surface. Digitised to the max. In a modern marketing move, reminiscent of the Tin Woodman's search for a heart in *The Wizard of Oz*, the digerati at Google stretched out and went analogue. Facebook soon followed suit. Analogue voucher. Digitised can be dehumanised. To connect with analogue hearts, even the digital disruptor Google had to inject some analogue into their client dialogue.

Apple's analogue play

Now let's look at Apple. (Not the fruit.) Digital, right? Well, yes and no. All the other computer companies that Apple competed with at the turn of the millennium went digital in the way they connected with clients. Think of the brands you no longer use (unless you're forced to at work). These brands went digital in a big way. I remember ordering one of those brands' latest innovations digitally. It was amazing.

*If you're a consumer dealing with Google, when did you last connect with an analogue human being?
If you're a small-business owner, when did you last connect with your analogue account manager?*

No human beings were involved – at least none that I could perceive. And for the occasional introvert like myself, that was kind of nice. The website was reasonably user-friendly. It told me about the specs I needed, and I got to mass-customise my very own computer. It arrived from Asia a week later. Excited, I opened the box, and found an instruction manual the size of the computer. An instruction manual I was going to have to look through to operate this piece of engineering ingenuity that had been designed just for me. I used the laptop for a couple of years, and even finished my law thesis on it. But I had zero connection to the brand.

Apple takes a personal approach to customer service.

Digital convenience, yes; brand loyalty, no. Around the same time, Apple realised that, to compete, it couldn't be a heartless, pure-digital company. It needed to re-engage the hearts and minds of its consumers.

Apple's leaders asked themselves an important question. What is the best in analogue, high-touch, personal customer care?

They did not see it in their industry. None of their competitors was a beacon of heartfelt interactions.

In a brainstorming session, several members of the Apple leadership team referred to the Ritz-Carlton in New York. They described the client journey at this luxury hotel – the personal greeting at the door and the caring concierge who helped you through the entry. The escort to the check-in counter and the human, handwritten note welcoming you to your room. Perhaps the bottle of Champagne Taittinger waiting for you because they remembered you loved it on your previous visit. The great conversation over a glass of 18-year-old Bunnahabhain with the bartender, who could magically solve all of your life's problems.

What if a visit to an Apple store could mirror this experience? This is exactly the analogue standard they decided to set. This analogue representation of a digital brand that packages 1s and 0s has been critical in Apple's renaissance. Now, you enter the Apple store, and you're greeted by a concierge. This person escorts you to where you need to be and introduces you to the person who can help you check in. If you've already made an appointment to see the technology genius at the genius bar, this person will have been pre-briefed about your technological problems and, over a casual conversation over the 'bar', will solve them for you.

On August 25, 2012, Apple became the world's most valuable company at \$US621 billion. Of its total profit, 12 per cent is derived directly from this channel. As of August 2012, Apple has 395 stores worldwide, with global sales of \$US16 billion in merchandise in 2011. And they lead the United States retail market in terms of sales per unit

Continued next page

analogue voucher. An analogue gift voucher for \$75 from Google – to spend with Google, digitally. An analogue voucher espousing the virtues of digital marketing. An analogue trial to get digitally hooked. A way for Google to be human.

Contacting Googlers

If you're a consumer dealing with Google, when did you last connect with an analogue human being? If you're a small-business owner, when did you last connect with your analogue account manager? When did you last call Google because you couldn't find something on their website? When did you last contact them to complain because YouTube didn't stock your favourite movie? When did you last let them know that an AdWord advertisement took you to a store you hadn't really anticipated (which happens to me all the time)? In all likelihood, unless you have met them socially, you have never, ever, talked with human Googlers. They can be lovely people, and they even include an ex-flatmate among their number (and yes, we're still very civil). I am a big fan

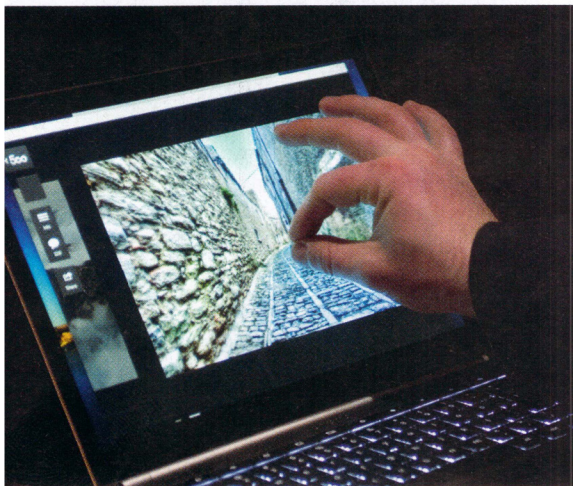
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area, outperforming Best Buy 4:1,
and Tiffany's & Co around 6:4.

In 2011, Apple stores in the United States had revenue of \$US473,000 for each employee.

Analogue is working for Apple.

Old is new again

This has triggered a veritable analogue retail renaissance, with the usual digital suspects all making forays into analogue bricks and mortar: eBay in London and NYC, Amazon in 7-11 stores across the United States, Google with its Android Shop-in-Shop in Melbourne, and PayPal with its pop-up merchant meeting space in NYC. They



Caption here for the touchscreen version of Google Chromebook here please sorry pic changed

have all been intent on bridging the online-offline divide, and to ensure a consistent brand feel. While these efforts have not necessarily been about opening up another direct sales channel, the brand presence and the signals these send are important. Banks and credit unions are also inspired by Apple's retail success. As you can imagine, this industry is one that has shifted from physical branch banking to desktop and mobile banking. In the process, banks and credit unions fear that we will lose our loyalty to their brands. Rightly so, because the connection with the analogue heart is critical to brand loyalty.

Thus, if you visit an Umpqua Bank outlet or a People's Choice Credit

Union, you will find that they feel a lot more Apple than old-school Bank of America or Westpac do. So for the nostalgics, the news is good. Analogue still has a role to play. When digital disruptors go analogue, and when banks aspire to be like Apple, there is a future for bricks and mortar. But the future may not look quite like the past. The future will look more like clicks and bricks. Think about it this way.

I love Skype. But it has limits. Ask anyone who has been in a long-distance relationship in the last 10 years. This digitised voice and video over internet protocol interface innovation has probably been both the saviour and disruptor of many romantic relationships in the past decade. It can serve to sustain the flame. It can conveniently enable you to have a live conversation that is surprisingly intimate. But a computer interface can never replace a human face. At some stage, you're going to want pillow-talk, or to hold hands, depending on your world view. You're going to want to smell pheromones, you're going to want to taste your lover's lips, you're going to want to find their long hair in your shower. OK, too far – but you get my drift. If you have never had a romantic Skype affair, replace the above example with your family members and grandparents who live overseas – perhaps Greece – and think about your Skype conversations with them. How they show you your distant pimply cousins via an old-school webcam, the way they hold up a plate of today's souvlaki, and their featuring of your vain aunt who keeps staring at herself rather than you, when you're speaking to her. Nothing beats an analogue big fat Greek wedding, a tipsy Swedish midsummer's dance around a phallic symbol, a Chinese New Year or a stinking hot Australia Day. By cultural extrapolation, you get my drift. Skype, good; but analogue, critical. Full stop. A computer interface still cannot replace a human analogue face. **BRW**

Digilogue – How to Win the Digital Minds and Analogue Hearts of Tomorrow's Customer by Anders Sorman-Nilsson. Published by Wiley, RRP \$27.95.



RITSON ON BRAND

COOLER THAN CATEGORY

It's not hard to spot the best TV ad in Australia. Alfa Romeo's new campaign for its Giulietta is outstanding.

A cool blonde is harangued in the lift on her way out of the office by an annoying workmate about the new car she is rumoured to have bought.

She denies everything until, stepping out of the lift, she turns to the vehicle in the parking lot and explains: "It's not a car. It's an Alfa Romeo."

At first glance, all this might appear to be just a beautifully crafted execution from Melbourne creative agency CumminsRoss. On a deeper level, however, the campaign also demonstrates a key insight into brand building. Alfa's insistence that it doesn't make cars, it makes Alfa Romeos, is the fundamental building block of any decent brand strategy.

Ask **BRW** readers what they have in their pocket and many will tell you an iPhone. Not a mobile phone, an iPhone. Apple is one of the few brands to successfully and consistently detach itself from the category.

Perhaps the best recent example of branded differentiation can be taken from the 95,000 fans who crammed into the MCG to watch Liverpool FC play. They were not there to watch a match or even support a team; they were there because they were Liverpool fans and it was so much more than just another game.

As Liverpool manager Bill Shankly once explained: "Some people believe football is a matter of life and death. I can assure you it is much, much more important than that."

There are significant long-term advantages for the select few brands that can achieve this level of differentiation from their category. They can charge a higher price because they offer something beyond the competition. They can retain consumers in the face of the strongest competition. Others may be cheaper, they may even beat you in terms of product attributes, but because your consumers love you for who you are, they are unlikely to switch.

Despite what your marketing manager may tell you, brands are not born from consistency. Rather, strong brands are fundamentally disruptive.

Mark Ritson is an associate professor at Melbourne Business School and a consultant to global brands.