



The Review

INSIGHTS, IDEAS & INFORMATION

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White Maple is a strategy consulting firm. We aim to deliver results for clients that produce lasting improvements to performance through facilitating alignment between strategy, the market and brand, and the organisation's people, structure and processes.



We focus on working with service organisations. Principal sectors include:

- Commercial (business-to-business)
- Government
- Member organisations and charities
- Professional services

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BUZZ!

BY BOB EMPSON



Buzz is a promotional technique that exploits the power of word-of-mouth promotion. This article illustrates how orchestrated buzz – using “buzz agents” – works and reviews why it is being evermore widely used and for which products and types of customer it may be most appropriate. But buzz also has its risks and detractors...

WHAT IS BUZZ?

In this article buzz marketing is defined as a form of viral or “diffusion” marketing that involves using people (“buzz agents”) who are engaged to generate positive word-of-mouth about a product. This is a fairly narrow definition of the term. As with many marketing terms, buzz is understood and used in a variety of ways. A looser usage is as a general reference to hyperactive excitement about a product in the marketplace – however generated: by luck or by using agents or by exploiting the power of the internet.



The most effective form of promotion is when customers talk positively about a product or service to their colleagues, family or friends. This is powerful because it is credible: we are more likely to believe and trust a positive message about a product from someone we know and who is independent. Buzz orchestrates and exploits this natural phenomenon.

Another strength of word-of-mouth is that it stimulates market “pull” for a product rather than demand being dependent on “push” by a product's owner. Reliance on push promotional techniques (e.g. advertising or special price offers) can be very expensive. Buzz can thus be a relatively inexpensive promotional tool.

HOW DOES IT WORK?

There is a variety of buzz techniques. The three principal ones seem to be:

- Recruiting volunteers to try out the product, with the hope that they then go out into the market and talk

positively about the product. The trick would seem to be not to tell the volunteers what to say but to create “a ready-made story that makes *them* the centre of interest”. The reward for these volunteers may be no more than being able to show-off their leading edge knowledge. An example of this method is the leading consumer products company that has apparently recruited hundreds of thousands of teenagers to seed buzz about its products.

- Sending the product free and unsolicited to influential people so that the product gains both visibility and credibility. Examples of this in practice are the car company that gave one its new models for 6 months to so-called trendsetters in various markets; and the shoe company that sent samples of a new brand of shoes to celebrities.
- Paying staff or actors to engage with customers and talk with them about the product. One company promoted one of its digital cameras by employing actors, posing as normal people, to talk up its product. A cigarette brand employed “attractive couples” to give smokers in the street (having been banned from their workplaces!) cups of coffee in winter and iced tea in summer.

To be most effective, companies should not tell their “buzz agents” what to say and the agents should not oversell the product – this would not be seen as “cool” by sceptical and discerning targets.



See inside!



"...BUZZ CAN BE CHEAP..."



WHICH PRODUCTS?

Buzz has been used extensively to promote, for example, computers, cars, cigarettes, alcohol, soft drinks, pharmaceuticals and fashion products. The literature relating to buzz often discusses which products are most appropriate for its application. Some suggest that it is best for "unique" products (in terms of, for example, functionality, price or looks). Others cite so-called "edgy" products as the most likely beneficiaries of buzz.

Whilst it is undoubtedly true that some products will be more suited to the technique than others, I believe that the appropriateness of buzz should also – and perhaps primarily – be evaluated in terms of the customers being targeted. Buzz may be particularly appropriate when the target customers are people who have a desire to have their self-image and/or status enhanced by the products that they are seen to use or consume: their image and self-image is defined by the brands they use or consume. Thus when a product's buzz agent introduces them to the latest "in-thing", they have to have it.

IN SUMMARY...

For the right products and target customers, buzz can be a powerful and cost effective marketing tool, particularly when used in conjunction with other brand-building techniques. Manufactured buzz is almost certainly here to stay; however, there are associated risks and ethical issues that need to be considered. Marketers just need to ensure that they don't fall into the honey-trap of the buzz about buzz!

(This article has drawn on a number of references including, amongst others, papers from Business Week, Harvard Business Review and Knowledge@Wharton. If you would like a full list of references, please send the author an email.)

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However, there is a need to provide a stimulus to get people talking. Mark Hughes (see buzzmarketing.com) argues that, although most products are boring, creating buzz is easy "if you know what buttons to push"; he offers the "Six Buttons of Buzz":

- the taboo
- the unusual
- the outrageous
- the hilarious
- the remarkable
- secrets (both kept and revealed)

Buzz agents would appear to be most effective when they are used in conjunction with other brand-building tools as part of an integrated campaign. Frequently used techniques (in addition to traditional advertising) are: rationing supply, at least initially, to create a sense of exclusiveness; using the internet as a source of stories ("rumour, innuendo and gossip"!); and to spread the word electronically (like a virus!); and associating the product with other established and relevant brands to benefit from a halo effect.

Is orchestrated buzz effective? It must have had successes. However, there is little published objective evidence about performance. One reason for this is probably that this is a relatively new technique. However, it may be also that companies know that if they make a lot of noise about what they have been doing with buzz, it could be counterproductive; if target consumers learn of it, the credibility of the brand's buzz agents could be undermined and their trust in the brand itself could be damaged, particularly if the agents have been acting covertly.

"...IT IS NOT WITHOUT ITS RISKS AND DETRACTORS..."

WHY THE BUZZ ABOUT BUZZ?

There are five principal reasons that buzz marketing has become a popular technique:

- there has been significant fragmentation in traditional mass media – for example through the huge growth in the numbers of TV channels, radio stations and magazines – this makes it more complicated to get a message across;
- there has been growing cynicism about advertising amongst some consumer groups;
- buzz can be cheap relative to other communication techniques;
- some product types – such as tobacco and alcohol – are constrained from using some important media;
- it can be very powerful in not just raising awareness of a brand but also enticing people to actually try and buy a product.

A STING IN THE TAIL...

Although there would appear to be a place for buzz in the marketer's armoury, at least for some products or customers, it is not without its risks and detractors.

Negative word-of-mouth

There is a risk that the brand agents who aren't in the direct control of the company (i.e. volunteers or influencers who have been given the product to use) may actually initiate negative word-of-mouth!

Ethical?

There are some concerns about the ethics of the technique. It is potentially manipulative of some unsophisticated and unsuspecting "volunteers" who may not realise that they have indeed volunteered to help the brand! Some also say that it involves deception when the brand's agents operate covertly and do not identify that they are working on behalf of the brand. It could be counterproductive for a brand's image if target audiences react negatively to being deceived, or even betrayed, by the brand's agents operating in this way. A good example of this risk is when a film company was discovered using its own staff to pose as movie-goers excited about a new film!

"Brandwashing"

The technique also has opponents who have argued that it is a form of "cultural corruption" or so-called "brandwashing": marketers are insidiously creating culture in our homes and on our streets.

Suspicion

There is also a potential threat to the technique's effectiveness if it becomes too widely used; consumers may thus become suspicious of people who talk too positively about a product.



KISS!

BY BOB EMPSON



Although there can be no single correct strategy development process or structure/content, there are common mistakes made. This article summarises some of these. Two ground rules are offered for avoiding the key mistakes. And then there is a third: KISS!

Strategy development is complicated. It entails understanding of the internal and external environments. It requires that the objectives and requirements of key stakeholders are understood. It needs to take into account the organisation's prevailing culture, power and processes. It involves making choices and trade-offs in terms of, for example, the scope of activities, objectives, priorities, organisation and resources. The future environment is unpredictable. And planned change will itself have implications that cannot be anticipated.

In this context, it is not surprising that there is no single right strategy development process, nor is there an off-the-shelf structure for a plan that will always be appropriate. However, there are common problems and mistakes made regarding the process and content of strategic planning. Some of these are headlined below.

PROCESS ISSUES

Too late. The planning process is often not initiated until the organisation is in a hole. When performance is good it can be difficult to engage management teams on thinking strategically and creatively. There is often a need to create a trigger to stimulate initiation of strategic thinking.

Getting lost! Because no process has been mapped at the outset, organisations can get confused about the process that they are pursuing to develop and agree their strategic plan. This can waste time and effort; even worse, it can contribute to an overall loss of direction and focus at the organisation as people interpret and apply a half-formed strategy in different ways.

Inadequate consultation. The process can involve either too few or too many people: usually the former. There are many potential problems arising from a strategic plan being developed by a small team without significant consultation across the organisation. These include: the strategy is developed from a too narrow perspective with issues being overstated or ignored; and other people in the organisation do not have a sense of ownership and commitment to it.

Reliance on intuition and qualitative data. There is a place for intuition (or you might call it judgement or wisdom) and qualitative, or even anecdotal, data. However, most strategies will be flawed if no quantitative data has been used for analysis or validation. Such data can be internally oriented (e.g. product profitability analyses) or external (e.g. customer profiles; market shares; competitor profitability).

It took too long to produce. If it takes 12 months rather than, say, 3 months, the strategy can be out of date before it's finished.

Poor execution. Implementation (or execution) is not the glamorous part of the strategy process: it is usually hard work and complicated. Many organisations may start implementation (and some don't even get that far) but then energy, enthusiasm, confidence and focus soon fade. This problem was discussed in an article in Issue 5*. Some of the related issues raised in that article included: the strategy is not communicated internally; the strategy is not integrated with business unit and functional plans; and the organisation didn't have the resources to implement effectively (feasibility was not evaluated).

Not regularly reviewed. Too many strategic plans sit on the shelf, literally, and are never reviewed – even when it comes to preparing the next one. Policies for reviewing progress should be built into the plan and into the organisation's management processes.



CONTENT ISSUES

No objectives. A fundamental component of strategy is a set of objectives: what direction are we going in and what does success look like? Often these are missing or they are only defined in very broad terms (e.g. we want to grow; we want to be a leading player in this market). A challenging and exciting vision (e.g. "We will be No. 1!") may motivate, but it still needs to be interpreted into measurable objectives and targets and key milestones on the road there.

Time frame is too short. Many so-called strategic plans are just one year plans and budgets. A longer term perspective (typically 3 – 5 years) will provide an important context for investment decisions. Looking further ahead will also help longer term market trends and changes to be anticipated.

SWOT analysis. This tool is widely used to summarise key points from the internal and external analyses. But SWOTs (Strengths, Weaknesses, Opportunities and Threats) often have deficiencies. Two of these are: they are not specific enough (e.g. "our people" is often cited as a strength: but which people, and what about them gives competitive advantage?); and they are produced

quickly early in the planning process but are not validated with appropriate analysis. Further discussion about SWOTs, their problems and how to improve them, can be found in an article in Issue 2*.

It's too big! It is surprising how often this is true. Huge effort and extensive analysis produces a comprehensive tome that is not read, let alone used. It might be necessary to document the analysis and detailed rationale, but the detail is often best placed in an appendix or made available separately. At least give a short executive summary that summarises key points.

No implementation plan. Strange but true!

AVOIDING THE PITFALLS

There is not sufficient space here to suggest how to address all of the process and content issues. However, here are two ground rules which may help the majority to be avoided at the outset:

- Plan the process. This should include consideration of: key steps, who will need to be involved, resources required (e.g. information, time and budgets) and an overall timetable. And book key dates in diaries as soon as you can!
- Produce a summary of the strategy's likely structure and content (possibly as simple as an annotated contents page). This should help to keep the process efficient as people are focused on what research and data is required.

The ultimate measure of the success of strategic planning is whether the organisation moves positively towards achieving appropriate measurable objectives. In developing strategy it is always necessary to make trade-offs between quality, costs and timescales; and when you look back at the process and content, 20/20 hindsight will always see things that could have been done differently. Strategic planning can appear (and too often is) complex and confusing. So here is the third ground rule: you probably won't go too far wrong if, for the process and content, as far as possible, you "keep it short and simple": KISS!

* Past issues of The Review are available on our web site.

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Book Reviews

These books come from The Economist's 2004 Best Business Books. Both are excellent. They also resonate with White Maple philosophies. The Modern Firm promotes a concept similar to our view that performance improvement can be gained through achieving and maintaining alignment between strategy, the market and the organisation. The Wisdom of Crowds' idea – that it is usually a mistake to believe that "the key to solving problems or making good decisions is finding one right person who will have the answer" – fits with our preferred style of helping clients to find and implement solutions themselves, rather than acting as the expert with all the answers (even if we had them!).

The Modern Firm By John Roberts

The "Best Business Book" is about improving performance by achieving "fit" between strategy, organisation and the external environment. Although Roberts asserts that this is "mind-bogglingly complicated", his book provides concepts, frameworks and examples to help us to determine the factors that generate fit.

The old debate about whether structure follows strategy, or vice versa, is put to bed with the convincing argument that strategy (goals, scope, competitive advantage, realisation) and organisation (people, architecture, routines and culture) "really must be developed in tandem, in a holistic fashion."

Some nuggets include:

- the major section dedicated to motivation, reward and performance measures;
- a logical explanation for why organisations often alternate ("apparently aimlessly") between centralised and decentralised decision-making;
- a discussion, challenging the prevailing consensus for "focus", about the potential advantages of a diversified business;
- why major change almost inevitably involves transitional performance declines.

Roberts does utilise some concepts, often derived from his economics background, which take careful reading to digest (e.g. non-convexity and non-concavity). Don't be put off by this. His book is generally easy to read and logical, with case studies illustrating the ideas.

The Economist suggested that "nobody...is fully fit to run a modern firm until they have read The Modern Firm." It is certainly essential reading for not only senior managers and their advisers but also for students, HR specialists and academics.

OVERALL RATING 

Oxford University Press, 2004. £19.99 (Amazon)

The Wisdom of Crowds By James Surowiecki

You can take this book at two levels. Either as an eclectic set of interesting stories and experiments, albeit with a common theme, for example: how in 1906 a crowd at a fair jointly guessed the weight of a fat ox to within one pound; how in 1968 a naval officer gave prizes of Chivas Regal to a diverse set of specialists to successfully estimate the location of a lost submarine; and how in 2003 one person at NASA decided for everyone else in the Mission Management Team that damage to the space shuttle Columbia's wing was inconsequential, with disastrous consequences.

Or you can explore the case for, and potential power of, the "simple, but powerful, truth that...under the right circumstances, groups are remarkably intelligent, and are often smarter than the smartest people in them": the wisdom of crowds.

Surowiecki suggests that this phenomenon, with related "methods of aggregating collective wisdom", is very relevant to businesses that need to forecast the future and make complex strategic decisions. It may also have important implications for how we structure our political systems and society itself.

Two chapters are probably of particular interest to managers. One reviews why groups sometimes make wrong or inappropriate decisions and how to avoid these problems (e.g. risky shift, groupthink, group polarization and deference). The other discusses problems arising from too rigid hierarchical structures and a belief that a CEO can alone consistently make superior strategic decisions.

Well researched and an interesting and easy read, at which ever level you take it.

OVERALL RATING 

Little, Brown, 2004. £16.99

WEB SITES

To celebrate the centenary of the publication of Einstein's Special Theory of Relativity in 1905, the theme of this issue's web sites is time.

Greenwich Mean Time www.greenwichmeantime.com

A wide variety of useful resources including: a GMT timestamp to see how accurate your computer is; world time zone map; interactive country time maps; and PC clock software.

OVERALL RATING 

Prof. Stephen Hawking www.hawking.org.uk

The official web site of the author of The Brief History of Time. Offers transcripts of recent public lectures (e.g. The Beginning of Time; Space and Time Warps). Also some rather more complex lectures that assume a level of physics of at least degree level.

OVERALL RATING 

Time Travel <http://freespace.virgin.net/steve.preston/Time.html>

A "serious web site". Aimed at the non-scientist, this site provides a guide to the science behind time travel. Includes some more complex stuff too including the maths relating to Lorentz transmissions and Dirac's negative mass energy. It sounds possible! (NB. Note the URL has no www and a capital T in Time).

OVERALL RATING 

Timeanddate.com www.timeanddate.com

Apparently a spare-time project created and maintained by a 28 year old Norwegian called Steffan Thorsen. Resources include world clock, meeting planner, worldwide daylight saving time details and time zone converter. Everything is free.

OVERALL RATING 

Official US Time www.time.gov

A US government site. Downloadable software to set your computer clock. Colour world time zone map.

OVERALL RATING 

The Time Travel Fund www.timetravelfund.com

For a \$10 fee you can buy a service that may, in the future, come back to retrieve you before your recorded point of death. The fund is "semi-established". Don't do it.

OVERALL RATING 

WHITE MAPLE NEWS

FACILITATION

Facilitation is an integral component of larger assignments in which we guide clients through processes of analysis, developing understanding, agreeing strategies and implementation. We are also often invited to act as facilitators at management meetings; here are some examples of specific events that we have recently designed and facilitated:

- First joint annual conference of all the partners of two merging firms of solicitors.
- Team development workshop for the Senior Management Team of a large professional institution.
- Strategy development "awayday" with the Board of a leading firm of surveyors.

- Marketing workshop for staff from a government agency involved with trade promotion.
- Meeting to review the governance of a trade association.
- Leadership conference involving 60 senior staff of a new organisation in the health sector.
- Brand and strategy development workshop with another consulting practice.

OTHER FORMATS

All issues of The Review, including this one, are available on our web site in the resources section. If, in the future, you would like us to email you The Review in pdf format, please let us know on info@whitemaple.net. A version can also be provided in Word to enable production as large print or in Braille.