

Welcome to IF Consulting's weekly e-mail newsletter

January 30, 2004

Our regular email tackles the topical issues that surround all marketing channels and their underlying strategies.

This newsletter is also available as a PDF on our Website (<http://www.i-f.com/E-comLinks02.htm>) if you want to download a version for your hard copy file.

A maturing Marketing Channel: Where talk's cheap, but effective

Procter & Gamble's sales force is full of teenagers - 280,000 to be exact. Named Tremor, the sales army of 13 to 19 year-olds is on a mission to help companies infiltrate hard-to-reach sectors. Endorsements are delivered to family and friends in school cafeterias, at sleepovers, by cell phone and by e-mail. The sales army is geared to talk about a huge range of products, and they do it all for free.

Advertisers have long been dissatisfied with traditional media, with its fragmented audiences and emerging technologies aimed at avoiding advertising. According to Procter & Gamble, teens, in particular, are difficult to reach and influence through advertising as they often ignore the intended message. With an annual spend of \$175 billion on products, the tactics have turned to targeting messages via friendly chatter between peers. "The mass-marketing model is dead," says James Stengel, P&G's global marketing officer. "This is the future."

Tremor targets teenagers with a wide social circle. Using e-mail invitations and Web banner ads, the company encourages registration by offering them a chance to register to win a free product. Registration entails a questionnaire which includes reporting how many friends, family member and acquaintances they communicate with each day. Tempted with exclusive offers of music mixes and other treasures, the most outgoing of respondents are then invited to join the network.

http://www.forbes.com/free_forbes/2004/0202/084.html

IF Comment

Isn't this 'Marketing 101'? Determine the customer segment you want to target and then identify a marketing channel that represents superior fit with the chosen customer segment, or better still, create a marketing channel that blends with the chosen customer segment. Easily said and creatively crafted by Procter and Gamble.

Wait, how about a reality check? Tremor has a role to play - apparently it is cost effective, maybe it could provide the reach or market coverage, but some questions emerge, including; 'How effectively could P&G control the quality of the channel partners' (Tremor) interaction with the prospective customer?' and How would this channel link with the other channels employed by P&G?'

To attain the desired effectiveness in the market place it is essential to attain a pragmatic balance between marketing channel cost, control and coverage - and that's 'Marketing Channels 101'!



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Marketing Channel

Strategy Consultants

Maximizing shareholder value
through creating the best route:
to market

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Snippets

Some Shell dealers believe that the company is trying to end their relationship through financial pressure. Citing increased rents and the end of rebate programs, the owners charge that Shell has changed policies to force them out of business. A number of dealers seeking relief have formed the United Shell Dealers Group and have filed a lawsuit against the company.

http://www.dailynewstranscript.com/news/local_regional/dedh_gas01152004.htm

IBM Software commenced a major restructuring of its sales model last week. The new model, which favors teams selling solutions across the product portfolio, will have a significant impact on IBM's channel partners.

<http://www.channelweb.com/sections/allnews/article.asp?ArticleID=47466> (free registration required)

Although the digital music industry was established years ago, the sale of legitimate online music did not reach a critical mass of consumers until the launch of Apple's iTunes Music Store. In the beginning Apple had to promise record labels that there would be more than a million downloads within the first six months – this figure was actually reached within the first week.

<http://www.ecommercetimes.com/perl/story/32651.html>

Share the Knowledge.

If you have colleagues who would be interested in receiving our weekly email please forward this e-mail to them.

IF Consulting publishes "Our View", a quarterly review of topical marketing channel issues. Samples are available on our website. To receive "Our View", please return this email with your address details.

To unsubscribe, please reply with "unsubscribe" AND a copy of the email address to be removed.

IF Consulting is a leading international marketing channel strategy consulting firm with over 30 years experience in a vast number of industry sectors. See our website for further information.

<http://www.i-f.com>