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A Changing Dynamic:
The Business-to-Individual Relationship

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Honors Capstone Project in Advertising

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Abstract

As the Digital Revolution sweeps the world over, modern marketing strategies have had to adapt and change. Power has shifted from brands into the hands of consumers. This paper explores how this relationship is changing, and offers a glimpse of how this new relationship manifests itself in two forms of digital marketing strategy: the digitization of the in-store experience and the gamification of the modern day loyalty program. These strategies are intended to enhance the consumer experience and ensure that any interaction they have with the brand is a fulfilling one. This paper also discusses how digital technology has broken down the barriers of communication, leading to a global Digital Democracy based on democratic values and transparency of action. This demonstrates the power shift on a global, impactful scale.

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(You may modify this format to suit the needs of your project.)

Introduction

The future is now.

With social media and digital and mobile technologies dominating the world, marketing has begun to adapt and expand beyond traditional ideas. Consumer behaviors are changing every day, and marketing must change with it.

Modern marketing goes further than just creating a personal relationship with your customers. It is more than offering them a unique experience. It is even more than taking consumer data and analyzing it to derive insights into behavior. Brands must share ideals with the customer. They must be so beloved that customers champion your brand and share with other consumers using their social media accounts. Brands must offer immediacy by being with the consumer when they need you the most and where you have the most influence over what they purchase.

The future of marketing belongs to the consumer, not the marketer. Therefore, marketing will no longer seem like marketing. It will become an everyday part of life. Any app or benefit program will cease to be seen as marketing and will become a daily routine. Marketers must be able to add consistency and fluidity to the consumer's life. Without it, marketing will not become simply routine and successfully integrate into society's new behavioral norms

In order to inspire consume rloyalty, brands themselves must be loyal. By becoming part of the consumer's daily routine, brands will powerfully benefit. Consumers will go on Twitter and Facebook to tell their friends, families, and

followers about how much they love your brand. They will adopt your ideals and support your brand's efforts. Simply put, they will be there to support your brand, because your brand supported them. The brand will become the consumer's best friend, and this friendship will overtake traditional marketing.

I will be exploring this changing relationship between the brand and its customers. I will first look at how digital media are democratizing the world by giving individuals a voice, and then at what strategies businesses are employing to appeal to consumers in these spaces. By looking at modern digital marketing strategies, we can easily see that the dynamics of the business-consumer relationship have reversed. Digital media have given the consumer a voice to democratize this relationship. Due to digital media, marketing has become more personal. The Business-to-Consumer relationship in marketing has become Business-to-Individual and the individual consumer holds the power. This has manifested itself in two ways: first with the digitization of the in-store experience and second with the gamification of the loyalty program. I believe is the best technique to exploit this new dynamic between brand and consumer.

New Democracy and The Digital Revolution

Let's begin with two remarkable statistics: the number of cell-phone users and internet users in 1990, 2002, and 2010. In 1990, there were 12.4 million cell-phone subscribers, or 0.25% of the world population at that time[1]. By 2002, this number increased to 1,174 million, 19% of the world population at that time[2], and by 2010, cell-phone subscriptions reached 4,000 million, or 67% of the world population[3]. In the same pattern, Internet users went from 2.8 million in 1990 (0.05%)[4], to 631 million in 2002 (11%)[5], to 1.8 billion in 2010 (26.6%)[6].

The rate at which these technologies have been adopted has been exponential, and as the percentage of the world population that uses these services continues to increase, it will break down information barriers. Globalization cannot occur without digital technology. It can bring knowledge to areas of the world that have not even completed industrialization yet. This sort of New Democracy puts the power in the peoples' hands, allowing them to check the power of the elite with their digital actions.

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[1] Worldmapper. (n.d.). *Cellular Subscribers 1990*. Retrieved from Worldmapper: http://www.worldmapper.org/textindex/text_communication.html

[2] Worldmapper. (n.d.). *Cellular Subscriptions 2002*. Retrieved from Worldmapper: http://www.worldmapper.org/textindex/text_communication.html

[3] Arms, M. (n.d.). *Cell Phone Dangers*. Retrieved from Computer User: http://www.computeruser.com/articles/cell-phone-dangers-protecting-our-homes-from-cell-phone-radiation.html

[4] Worldmapper. (n.d.). *Cellular Subscriptions 2002*. Retrieved from Worldmapper: http://www.worldmapper.org/textindex/text_communication.html

[5] Ibid.

[6] Internet World Stats. (2012, June 30). *Internet Usage Statistics*. Retrieved from Internet World Stats: http://www.internetworldstats.com/stats.htm

Citizen Renaissance sees a new "Citizen Politics," which is accelerating popular engagement into a truly revolutionary force for change.[7] In the Digital age, the reputation of an entity, whether a brand, an organization, or a person, lies not in the hands of a select few but at the fingertips of many. Even to professionals, the Digital Revolution is still fundamentally misunderstood. Many believe it is just about technology and the way information is transferred. But it is a cultural transformation; it's about democracy and empowerment. We all have the ability to blog, campaign, engage and lobby. In this new world, the masses are more curious, less respectful and even trusting of authority. From corporations to governments, the Digital Democracy demands transparency and accessible information.

The Digital Democracy holds all of us to account: politicians, companies and brands. It has changed the methods of communication and the speed at which the world moves. Everyone now has a fundamental right to be heard. The audience may be fractured and fragmented, but the beauty of the digital world is the ability for this fractured audience to be pieced together into a force of change. This is the effective democratization of people and opinions. Trip Advisor advances the democracy of holiday advice; Facebook is the home of the democratic friendship and e-Bay a pure marketplace. Today, we can all be journalists with blogs, v-logs and texts to the media. Mobile phones bring the

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[7] Peck, Jules and Robert Phillips. (2011). *The Digital Revolution and a New Democracy*. Retrieved from Citizen Renaissance: http://www.citizenrenaissance.com/the-book/part-one-three-seismic-shifts/chapter-three-the-digital-revolution-and-a-new-democracy/

Citizen journalist to the nightly news. And every organization has the potential to be a media outlet in its own right.

For this all to work, there needs to be a level of trust between consumers. According to Nielsen, there is.[8] In fact, the company's "Global Trust in Advertising" report from 2012, which surveyed more than 28,000 Internet respondents in 56 countries, shows that consumers trust other consumers far more than they trust advertising. 92 percent of consumers around the world say they trust earned media, such as recommendations from friends and family, above all other forms of advertising, an increase of 18 percent since 2007. Online consumer reviews are the second most trusted source of brand information and messaging, with 70 percent of global consumers surveyed online indicating they trust messages on this platform, an increase of 15 percent in four years. As we begin to look at trust in new media, however, these numbers decrease. The survey showed that nearly six-in-10 global online consumers (58%) trust messages found on company websites, and half trust email messages that they signed up to receive. On the Web, four-in-10 respondents rely on ads served alongside search engine results, 36 percent trust online video advertisements, and one-third believe the messages in online banner ads, an increase of 27 percent since 2007. Sponsored ads on social networks are credible among 36 percent of global respondents. Trust is clearly on the side of the consumer, so brands must be even more careful with their actions during any consumer interaction.

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[8] Nielsen. (2012). *Global Trust in Advertising*. New York City: Nielsen.

In a political sense, digital technologies have already proven themselves an effective medium for the free-flowing exchange of ideas. As Gillian Young claims, the western liberal values of the settings within which technologies were primarily introduced and developed were evident in the communicative modes they engendered.[9] These include the human right to individual freedom of expression and political agency, an explosion of which we have seen in the Middle East. It is possible that digital globalization can bring down the walls of states as they crumble under the weight of a growing global community based in the virtual world on human rights and democratic principles. Digital technologies have been a force for change, and their grassroots nature has been key in the peaceful nature of this change.

The grassroots nature of social media can be both beneficial and detrimental to large corporations, which may have trouble controlling their brand image. Ask J. Patrick Doyle, CEO of Domino's, whose company experienced a social media disaster, and solved their problems by harnessing the same media that hurt them so badly.[10] In 2009, a pair of employees filmed themselves doing a plethora of horribly disgusting things to Domino's sandwiches before serving them and posted the video on YouTube. It went viral in an instant, racking up more than a million views, blowing up on Twitter, rampaging around Facebook walls and firing up the blogosphere.

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[9] Youngs, Gillian (2007) Global Political Economy in the Information Age: Power and Inequality , London: Routledge.

[10] Bhasin, K. (2011, July 19). *How Domino's Used Social Media And A New Pizza Recipe To Completely Reinvent Itself*. Retrieved from Business Insider: http://www.businessinsider.com/dominos-social-media-2011-7

The incident nearly doomed Domino's because its bad initial crisis management, but now it's reinvented itself as wholly transparent through those same digital platforms. Domino's changed its ingredients for all its pizzas and worked hard to get the word out on social media that it was a whole new era. It put up PizzaTurnaround.com, a social micro-site that documents the company's efforts and uses third-party endorsements through Twitter to show that it's the real deal. It embraced Twitter, staying consistent with it's #newpizza hashtag and keeping a constant stream of commentary with consumers. Domino's digital campaign ignited its national one. It had national TV spots that featured Mr. Doyle speaking directly to consumers. Now, every part of Domino's national campaign has a significant digital component, and the campaign became one of the best uses of digital media to date.

We've now seen that digital technologies are a force of democratization. They give people around the world a voice, the power to instigate change, hold leaders and companies responsible for their actions, and be heard on issues. As these technologies continue their exponential growth throughout the world, governments and corporations are going to act more responsibly, lest they feel the power of the collective on the perception of their brand. With all of this power in the hands of the individual, modern marketing strategies must work to provide the consumer the best consumer experience possible, both in-store and out-of-store, in order to create loyalty and produce sales.

Creating a Unique Consumer Experience

Online shopping has become the norm for many American consumers, with 70% of online users regularly purchasing goods online. But while e-commerce sales continue to grow (they'll reach $326 billion in the United States in 2016, up from $224 billion in 2012), they still account for only about 5% of total retail sales.[11]

It turns out a lot of people still like shopping in stores. Many consumers still like to see and touch products in real life, enjoy browsing in shops, or want to talk to a sales person before making major purchases. But after more than a decade of web commerce, consumers have also become more demanding, price-conscious, and technically savvy. They want to shop in stores but at the same time benefit from the advantages of shopping online: transparent price comparison, immediate access to product information and reviews, interactive apps and product customization and all the other advances they've grown accustomed to online. The digitization of your store's in-store experience is the answer to this problem.

The retail experience is set to change more in the next decade than it has in the past century. Gone will be the days of fixed checkout aisles and cash registers; in the Wi-Fi connected, digitally enabled store of the future, the whole store will become the point of sale. Armed with their mobile devices, the sales associate will become more of a brand ambassador, focused on creating a relevant

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[11] Essick, K. (2012, 11 20). *Re-Inventing the Mall: How Retailers are Bringing Digital Technologies In-Store*. Retrieved from Cisco: http://newsroom.cisco.com/feature-content?type=webcontent&articleId=1106582

and differentiated customer experience that the online sales channel can never offer. Seamlessy integrated across all selling platforms, stores will be able to truly deliver on a promise of "buy anywhere, fulfill anywhere."[12]

Mobile commerce has already driven the adoption of tools that provide convenience for the consumer. However, there are many additional opportunities for mobile use in-store beyond consumer use of mobile shopping websites and apps. An example of this again involves the store associate. Once separated from the digital experience, store associates are increasingly leveraging company-provided mobile devices to sell "endless aisle" products from the Web.[13] Along with this development, stores have moved away from low-tech kiosks that were once thought of as the answer to bringing the power of the Web to retailers. Instead, retailers are adopting sleek new technologies that seamlessly integrate online and offline experiences, promising to to revolutionize the in-store experience.

The in-store digital experience of the future will take advantage of an enormous range of technology. Large, high-definition touchscreen displays will combine with technologies like augmented reality, near field communication, and holographic projecters to form a highly interactive experience. As stores begin to master the requirements of these next-generation technologies, they will have to rely on marketers to bring their existing capabilities from the online and mobile

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[12] Sheldon, P. (2012). *The Digitization of the In-Store Experience.* Forrester.
[13] Schadler, T. (2011). *Consumerization Drives Smartphone Proliferation.* Forrester.

channels.[14] This will allow businesses to offer an experience in-store that provides consumers with customized, individual experiences.

Retailers are offering education about their products by using mobile technologies. Ten percent of US mobile phone owners have used their phone to look up online product information while shopping in a store.[15] Stores hope to encourage this behavior by enabling product research through other digital touchpoints. Clinique has used Microsoft's Surface technology to create a smart makeup counter where women can place cosmetics on the interactive surface and learn about and interact with makeup skincare products (See Appendix-1A).[16] The shoppers can then access product information and Clinique.com's best in class user reviews and how-to videos, before adding their products to a virtual browsing basket. The application allows shoppers to print out a barcode and present it at the nearby express service counter for quick checkout. This effectively educates the consumer, as well as expediting the sales process.

Thirty-four percent of consumers say they didn't buy online because they want to see a product before buying it.[17] However, even when a consumer gets to the store, many products like toys, furniture, and model kits are boxed away, with only the product images to provide context. Lego's "Digital Box" kiosks aim to solve this problem, using augmented reality to bring the model to life simply by

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[14] Sheldon, P. (2012). *The Digitization of the In-Store Experience.* Forrester.

[15] North American Technographics Retail Online Survey, Q1 2011 (US).

[16] Sharma, D. (2011, March 3). *Clinique Smart Bar Great Implementation of Microsoft Surface*. Retrieved from Retail Tech Blog: http://www.retailtechblog.com/2011/03/clinique-smart-bar-great-implementation.html

[17] North American Technographics Retail Online Benchmark Recontact Survey, Q3 2011 (US).

holding the package up to the kiosk (See 1B).[18] This has been one of the most

successful implementations of augmented reality worldwide, giving Lego the

ability to excite and inform their customer with a new interactive experience

directly from the brand. The in-store display doesn't always need to be functional,

either. Lego has an interactive shop window in its Chicago store that uses the

Microsoft Kinect motion-sensing camera to transform a passerby into a projected

Lego mini-figure. A dragon then appears and the Lego character must feed it

virtual apples. This is a fun way to interact with individual consumers, building

relationships with them that should ultimately lead to loyalty.

Fitting rooms are usually plagued by long lines of frustrated customers,

but they are a necessary evil for retailers who lament the loss of valuable store

space. Virtual fitting rooms will likely never replace the real fitting room

experience, but they certainly help alleviate some of the pressure on the real

fitting room. Topshop in the UK used Xbox Kinect motion-sensing technology to

provide consumers the ability to prescreen clothes before taking them to the

fitting room (See 1C).[19] For the consumer, this allows them to short-list just a few

items to try on, cutting time spent in the dressing room. For the retailer, this

reduces the length of time customers spend in the changing room, which shortens

down the line for the rooms as well. It also reduces the number of items left in the

dressing room that need to be reshelved. This unique experience simplifies the

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[18] Metaio. (2010). *LEGO Digital Box Augmented Reality Kiosk.*
[19] McQuivey, J. L. (2011). *The Three Most Important Consumer Products of 2010.* Forrester.

shopping process, leading to happier customers who will have bigger baskets and happier employees who will deliver a better experience for the customer.

While we've seen how technology can create a unique in-store experience for consumers, these methods are still not enough for the modern storefront. Store associates today have to be armed to help the consumer. Customers today have infinite information at their fingertips, which has raised their expectations for in-store customer service.[20] At the same time, customers' raised expectations put the sales associate at a disadvantage. Equipping employees with connected mobile devices empowers them to engage the customer. When sales associates carry devices, it instills confidence in the consumer that they actually may be able to help.

A mobile-empowered sales associate can perform a variety of customer-facing tasks with immediacy at any point in time during the purchasing process. Sales associates increasingly use these devices to perform inventory checks, reserve and re-route inventory from other stores, order products from beyond the aisle, get visibility into the supply chain, bust checkout lines, call for assistance, as well as a number of back-office tasks that they would previously complete on a desktop. A great example for this is the ability to immediately order a product for a consumer via mobile technology. 32% of consumers in the US expect the store associate to be able to place an online order for them.[21] When the store or any other nearby store does not stock the item the customer is seeking, the sales associate can place an order directly from his or her device in front of the

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[20] North American Technographics Retail Online Survey, Q1 2011 (US).
[21] Ibid.

customer to secure an otherwise lost sale. Not only does this save the immediate sale, but should make it more likely for that individual customer to return to your store and tell their network about the experience they had with your associate. It is easy to see how the use of devices is a win-win situation for both businesses and consumers.

It is not very likely that every retailer will follow the example of the Apple Store and completely discard fixed checkouts.[22] Mobile point-of-sale provides an opportunity for retailers to reduce the number of fixed registers, transferring hardware investment costs to mobile and other in-store technologies while creating valuable space for product display. However, as retailers adapt mobile point-of-sale, they must also figure out how to properly integrate process and technology. For example, in apparel, the sales associate must still remove the hanger, fold the clothing, remove the security tag, and bag the purchase for the customer. Retailers like Gap have created foldaway bag and tag stations that can be deployed during busy hours of the day to allow mobile-enabled sales associates to complete the purchase process without a fixed checkout counter. Retailers can also reconfigure their stores to deliver more specific merchandise assortments tuned to changing consumer trends.

The digitization of the in-store experience creates a unique experience for consumers. With sales associates armed and ready to provide trustworthy advice while wielding tools capable of producing meaningful interaction with individual

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[22] Wong, M. (2007, November 23). *Apple retail stores geared up for the holidays*. Retrieved from USA Today: http://www.usatoday.com/tech/products/2007-11-23-apple-retail_N.htm

consumers, in-store digital tools help brands foster relationships with individual customers. By offering the most valuable experience possible to the customer, a business will produce loyalty and trust in their relationship with this individual who will be more likely to shop more often at your store and spend more each time. Even with this unique experience, however, brands must work just as hard out-of-store to nurture these individual relationships and build true brand loyalty.

Producing Loyalty is Nothing but a Game

Many loyalty programs have changed the way consumers interact with the companies from which they purchase products or services from and how much consumers spend. Many consumers in the US and Europe have become quite accustomed to the rewards and incentives they receive by being a "card carrying" member of an airline, hotel or car rental program. In addition, research from Chris X. Moloney shows that nearly half of all credit card users in the US utilize a points-based rewards program.[23] In recent years, the competition for high income customers has led many of these loyalty marketing program providers to provide significant perks that deliver value well beyond reward points or miles. Both American's AAdvantage program and Starwood Hotels' Preferred Guest program have received industry awards, called "Freddie Awards" by Inside Flyer Magazine and its publisher Randy Petersen for providing perks that customers value highly. These perks have become as important to many travelers as their reward miles.

Customers can be fickle with their loyalty, and have long memories. A single negative incident can ruin a long-standing relationship because there are so many viable alternatives in today's competitive market. Yet there is also an acceptance of such situations by consumers that implies that, in spite of past disappointments, consumers are willing to keep building relationships. So, while every business must risk offending customers with imperfect transactions, they can still build meaningful relationships with consumers. Loyalty programs

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[23] Moloney, C. (2006) "Winning Your Customer's Loyalty: The Best Tools, Techniques and Practices" AMA Workshop Event(s). Misc. materials distributed related to event(s). San Diego, 2006.

attempt to reward customers (and businesses) for sustaining such a relationship by providing clear incentives for patronage. In fact, successful loyalty programs can even accelerate the frequency of customer visits and volume of purchases, strengthening the connection.[24]

The modern loyalty program must be structured in a way that understands consumers' perceptions of status, the key to building a successful program. People invariably compare themselves to someone who is either better off or worse off than them, respectively known as upward and downward comparison. Everyone engages in each at one time or another or even both simultaneously.[25] Firms are increasingly segregating customers based on their level of commitment (spending) by creating well-defined tiers that help patrons identify what benefits, both real and perceived, that they are entitled to as either ordinary or extraordinary consumers. The Pareto principle suggests that a small fraction of customers often accounts for a large portion of sales and profits. MCRA Information Services attributed 84% of Diet Coke volume to 8% of drinkers and 90% of restaurant visits to 20% of households.[26] In this digital world, it is therefore necessary to create a powerful loyalty program to drive sales.

Depending on your business, a myriad of factors will determine the hierarchical structure of your program. But two basic characteristics stand out to affect subjective impressions of status: the number of tiers and the relative size of

[24] Capon, N. with R. Kivetz (October 15, 2008). "Customer Loyalty Programs."
[25] Dreze, X., & Nunes, J. C. (2008). *Feeling Superior: The Impact of Loyalty Proram Structure on Consumers' Perceptions of Status.* Journal of Consumer Research.
[26] Halberg, H. (1995). *All Consumers are not Created Equal: The Differential Marketing Strategy for Brand Loyalty and Profits.* New York: Wiley.

each tier.[27] Dreze and Nunez's study suggests a solution: a three-tiered program (with gold, silver, and no status tiers, for example) will be more satisfying to all involved in the program than a two-tiered hierarchy (gold and no status). The size of the gold tier can be increased without affecting status perceptions among top-tiered customers when the "silver" tier is added. This allows the business to grow its recognized customer base by expanding its top tier and adding a second tier. This type of program allows firms to offer their better customers differentiated and better experiences with the company's brand. By allowing customers to perceive themselves as achieving status and even allowing them to exhibit their status, strong individual relationships are built with each customer that keep them coming back to your business.

However, loyalty programs are not new and, in the digital age, your consumer can be highjacked by competitors through online interaction. Today, consumers have a voice in the community that can either positively or negatively influence a brand's identity. These empowered consumers use technology to enhance their lives. They want to connect, share their thoughts and ideas, and learn from each other as much as possible. With the Social-Local-Mobile model becoming the driving concept for business behavior, game mechanics and dynamics have increasingly been employed by brands to drive engagement and loyalty. The use of game design techniques, game thinking and game mechanics to enhance non-game contexts is known as gamification. This is the best modern

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[27] Dreze, X., & Nunes, J. C. (2008). *Feeling Superior: The Impact of Loyalty Proram Structure on Consumers' Perceptions of Status.* Journal of Consumer Research.

strategy to engage consumers and foster loyal relationships with them.

The word "gamification" has emerged in recent years as a way to describe interactive online design that plays on people's competitive instincts and often incorporates the use of rewards to drive action: these include virtual rewards such as points, payments, badges, discounts, and "free" gifts; and status indicators such as friend counts, retweets, leaderboards, achievement data, progress bars, and the ability to "level up." Technology consultancy Gartner has projected that 50% of corporate innovation will be "gamified" by 2015, while Deloitte cited gamification as one of its *Top 10 Industry Trends for 2012*.[28] Elements of game mechanics are being employed nowadays in training, marketing, education, and wellness initiatives.

Gameplay has long been a popular pursuit, from the simplest moves of Go, first played in China 3,000 years ago, to the massive multiplayer online games of today. Digital games generated $25 billion in sales in 2010 and their popularity is considered to be a driver of the adoption of elements of gamification in many Internet pursuits.[29] In 2008, the Pew Research Center found that more than half of all U.S. adults, from Baby Boomers to Generation Y, identify themselves as active gamers, utilizing gaming as a social activity, including game play on the Web, on mobile phones, and on platform systems like Xbox.[30] Other consumers are looking for new ways to entertain themselves, with 40% of U.S.

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[28] Anderson, J., & Rainie, L. (2012). *Gamification: Experts expect 'game layers' to expand in the future, with positive and negative results*. Pew Internet & American Life Project. Washington, D.C.: Pew Research Center.
[29] Ibid.
[30] Kirk, B. (2010, April 28). *Marking Loyalty Fun Again*. Retrieved from Loyalty360: loyalty360.org/resources/article/making-loyalty-fun-again

online adults have expressed this interest in a recent survey. What's more,

consumers want game elements everywhere. 60% of consumers play a video

game online in a typical week. Consumers (especially Gen Yers) are increasingly

accessing games online and on mobile devices. Another primary driver is the

rapid adoption of social networks, now used by 70% of American Internet users,

where reward and status elements are embedded in implicit and explicit forms in

people's interactions in their engagement in online communities. Game elements

and competition are interspersed throughout the platforms that have made social

networks like Facebook and Twitter popular. By adopting gamification and

creating a well-structured program, marketers can drive meaningful loyalty

program experiences for their consumers and offer them compelling reasons to

increase participation beyond the typical "earn and burn" program. Creating brand

experiences that challenge, provoke and reward customers who engage with them

is how long, mutually beneficial relationships are made.

Gamification indeed has widespread applications but its help with brand

engagement is most important. Lyle Fong, CEO of Lithium Technologies, points

out, "Marketers are always wondering: How can I get people to my site, get them

to love it, get them to come back, and get them to spread the word."[31] Forrester

has previously defined engagement as degrees of the four I's: involvement,

interaction, intimacy, and influence.[32] Gamification can enhance all of these goals

by using the right levers to drive user behaviors and bring users closer to your

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[31] Shaw, E. (2011). *Gamification of Marketing Strategies Boosts Consumer Engagement.* Forrester.
[32] Epps, S. (2009). *What Engagement Means for Media Companies.* Forrester.

brand. Rewards systems and incentivized word-of-mouth efforts can help brands foster participation that increases site returns, new visitors and registrations. Chiquita, which sponsored the movie *Rio*, worked with Bunchball to create a microsite where consumers could win badges for learning about its products or watching *Rio* movie clips (See 1D). "The movie's colorful and exciting story continues online for Chiquita Banana consumers," said Scott Faucheux, North America Consumer Marketing Manager at Chiquita Brands. "We created an engaging online playground for our Chiquita Banana consumer where the whole family could share in the fun of Chiquita-branded products, the film Rio, and win great prizes including tasty Chiquita Bananas and other nutritious products." The 8,000 unique visitors it received after launch dwarfed the success of past promotions.[33]

Marketers need visitors to spend time with their content and brand. These are behaviors that gamification can specifically outline and drive. Marketers can set up the action-reward dynamic for actions they want to increase. For example, *The Real Housewives of Atlanta's* goal was to increase content consumption, and its Create a Housewife site offers users 40 points for watching a video clip, viewing a photo gallery, or reading a cast bio.[34] A leading computer manufacturer launched a gamified Facebook app for college students with the goal of promoting its educational computer site. Six weeks after launch, the program saw

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[33] Empower MediaMarketing. (2011, May 18). *Chiquita Gets its Game on to Promote Rio*. Retrieved from Empower MediaMarketing: http://www.empowermm.com/blog/2011/05/18/chiquita-rio-empower-gamification/

[34] Shaw, E. (2011). *Gamification of Marketing Strategies Boosts Consumer Engagement*. Forrester.

participation increase ten times, with one in six users submitting essays and one in three visiting the educational computing site.[35]

Gamification allows your brand to move beyond just a static presence to a real-time interaction, allowing consumers to connect with your brand on a much closer, more personal level. Additionally, customers find the interaction fun and rewarding, increasing brand affinity. At the same time, gamification increases word of mouth by giving users incentives to include their friends, either by incorporating group activities and challenges into the game of offering rewards for sharing brand links and updates. This sharing can also be organic, as the desire for status itself motivates users to surface their achievements to their social graph, enhancing brand reach. SCVNGR has found that 42% of players broadcast their play to their social networks.[36] With the metrics available, marketers can track not only the users who shared content on social networks but also the percent of their friends who click on that reward and are brought to the brand.

Gamification only delivers results when implemented correctly. Gamification must complement a marketer's current strategy, but it can be maintained in the long term. To ensure your gamification strategy is a success, there are four best practices to keep in mind.[37] First, determine what actions you want users to perform. Determine the business goal of your community, then list the actions users can take to support that goal based on your priorities and their

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[35] Bunchball. (2012). *Gamification 101*. Bunchball.

[36] Shaw, E. (2011, September 23). *4 Reasons Every Online Brand Should Explore Gamification Strategies*. Retrieved from Mashable: http://mashable.com/2011/09/23/gamification-strategies/

[37] Shaw, E. (2011). *Gamification of Marketing Strategies Boosts Consumer Engagement*. Forrester.

priorities. Then, make sure you have the right content to support the "game."

Make sure that a user won't reach the top of your leaderboard and then wonder

why she wasted her time because no valuable reward is given or the results are

not displayed somewhere that matters. Also determine how you will keep content

fresh to keep users interested. If your brand has a large supply of content, use it to

feed the game. If your brand does not, rely on your users to create content for you.

Finally, realize the benefits of consumer intelligence. Metrics for engagement

now go beyond time spent on-site and clicks; tracking actions like user-generated

content, the tone of inter-user interaction, and how frequently they share on social

networks can behaviorally focus data. You also gain the ability to have consumer-

specific data, connecting actions with an actual person and understanding their

preferences and behaviors over time. This allows you to segment your users, find

your key influencers, understand the loyalty distribution, and target and reward

top contributors.[38]

Gamification allows for businesses to build long, meaningful relationships

with loyal consumers in which brand and individual interact on a frequent basis.

This allows marketers and brands to understand individual consumers on a very

personal level, providing data that can improve the brand experience for each

individual participant as well as allow the brand to mold their total brand

experience around the wishes of its most loyal consumers. The ability to keep

consumers interested in interacting with your brand combined with its powers of

personalization and consumer intelligence make gamification the best modern

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[38] Vittal, S. (2011). *What's In a Game? The Effect of Gamification on Customer Loyalty Programs.* Forrester.

strategy to interact with consumers on an individual level.

The New Dynamic

By putting users in charge and allowing them to dictate the flow of their own experience, marketers will not only make a much longer, more rewarding, more useful experience than traditional interruption advertising can ever achieve, but they can also create a test environment that allows them to learn more about each individual user than that user would every reveal. With every action they take, the individual is shaping their experience around themselves. Brands that understand this fluidity of personalization are the brands prospering in this space. Zynga, maker of social games like *Farmville*, has figured out how to make the passive/active relationship between consumer and brand disappear, with a clear understanding of the Business-to-Individual relationship.[39] Instead of devoting years and millions of dollars developing games, Zynga spends a small amount of its budget on simple beta versions of its games, and then tracks every click and keystroke of the players to analyze which elements appeal and to whom. The games develop according to the aggregated desires of the players. Zynga is listening to every move its customers make, and designing its brand and products around it. Its customers dictate practically the entire development and manufacturing process, making the Zynga brand its customer.

Every brand is the sum of what it says and what it delivers and, in an ideal world, the two are the same. Pizza Hut presents itself as a family-friendly, accessible and unpretentious brand.[40] For them, the win condition is the sound of animated chatter: mixed groups of families or friends eating, talking, and

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[39] Maxwell, M. (2011). *Gamification: Play Time.* Admap. WARC.
[40] Ibid.

laughing. On their Facebook page, monitored 24/7, a constant stream of questions requests, complaints or just inconsequential interactions is responded to within minutes. Conversations between customers and the brand can go on for days. The brand has a voice, fostering their desired chatter in the continuous virtual space. Every additional 'like' Pizza Hut wins reveals exactly what their customers are interested in. That gives it priceless data on who they are, how they should be communicated with and when, what they want and where they live.

As we've seen, the Business-to-Individual dynamic has been brought to life by the digital revolution, and early marketing efforts that understand this new relationship have been extremely successful. Fostering relationships with individual consumers is the most impactful method to keep your best consumers happy and reward individuals for interacting with your brand. By nurturing these relationships and offering loyal consumers unique experiences, brands will maximize the profit potential of their frequent customers while building bases of aspirational consumers who aim to reach elite status with your brand. By digitizing the in-store experience and gamifying the modern loyalty program, marketers can exploit the emerging Business-to-Individual dynamic that will dominate the modern marketing world.

Appendix

1A:

*From Addictedtobeauty.co.uk

1B:

*From Metaio

1C:

*From Huffington Post

1D:

*From Progressivegrocer.com

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Summary of Capstone Project

. The Business-to-Consumer relationship in marketing has become Business-to-Individual and the individual consumer holds the power. This has manifested itself in two ways: first with the digitization of the in-store experience and second with the gamification of the loyalty program. I believe is the best technique to exploit this new dynamic between brand and consumer.

The rate at which technologies have been adopted has been exponential, and as the percentage of the world population that uses these services continues to increase, it will break down information barriers. Globalization cannot occur without digital technology. It can bring knowledge to areas of the world that have not even completed industrialization yet. This sort of New Democracy puts the power in the peoples' hands, allowing them to check the power of the elite with their digital actions. This breaks down barriers and allows humans globally to request transparency and accountability from corporations, governments, and even themselves. The power is now shifting into the hands of the people, not the powerful, and marketing strategies are now beginning to reflect this change.

By following the best practices of the modern marketing strategies outlined in this paper, brands can create meaningful, lasting relationships with consumers. These technologies have not fully incorporated themselves into our lives yet; so traditional marketing is still viable. But as the world continues to rapidly progress, we will see strategies like these become commonplace in our lives.