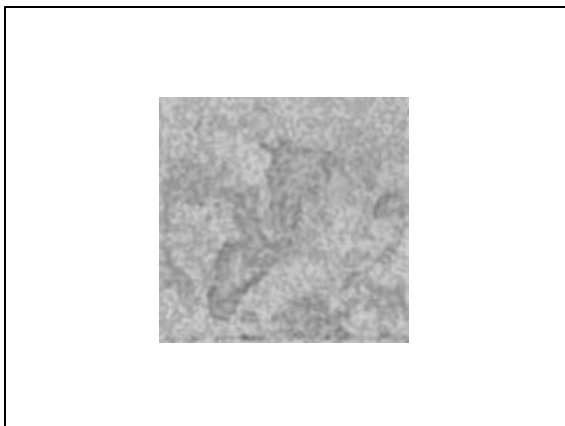


Ola Feurst:
One-to-One Marketing
www.bat.se

Who am I?
Who are you?
What do you want?



- ### Exchange Models
- **Exchange equation**
reward - cost = profit
 - **Distributive justice**
reward proportional to investment
 - **Equity Theory**
ratio of input/output vs partners i/o
 - **Comparison Level for Alternatives**
lowest acceptable in light of available alternatives
 - **Relational Exchange**
total utility = resource utility+process utility

Exchanges occur when

"an economizing individual A, has a certain quantity of a good at his disposal which has a smaller value to him than a given quantity of another good in the possession of another economizing individual B, who estimates the values of the same quantities of goods in the reverse fashion."

Menger, 1871, p. 179

Relational Value:

Resource utility
+
Process utility



Metaphor
Woman and Man
as
Buyer and Seller

Woman and Man:
How do you start
a relationship?



- Offered and Sought:
- Physical Beauty, Attractiveness
 - Intelligence
 - Money
 - Entertainment Services
 - High Status Occupation
 - High Status Education
 - Good Personality
 - Love
 - Race, Nationality, Age

- Offered and Sought:
- | The Man | The Woman |
|----------------|-----------------|
| • Sells: \$\$ | • Sells: Beauty |
| • Buys: Beauty | • Buys: \$\$ |
| • Buys: Love | • Buys: Love |

Offered and Sought:

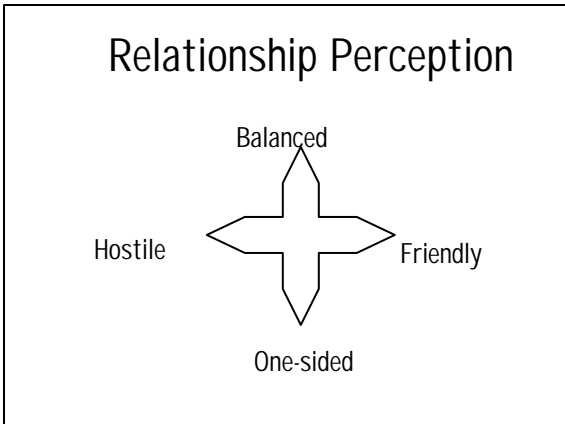
Who is buying?
Who is selling?

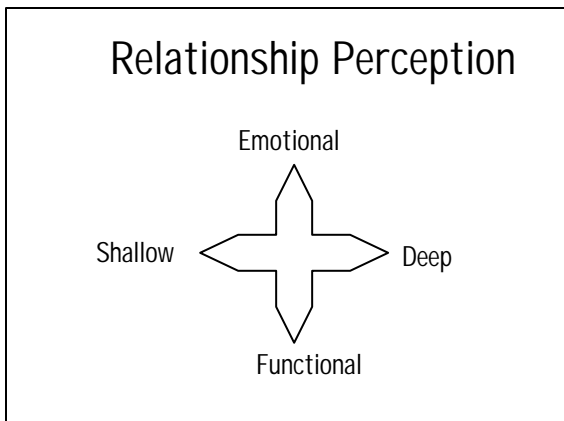
Seller is Buyer
Buyer is Seller



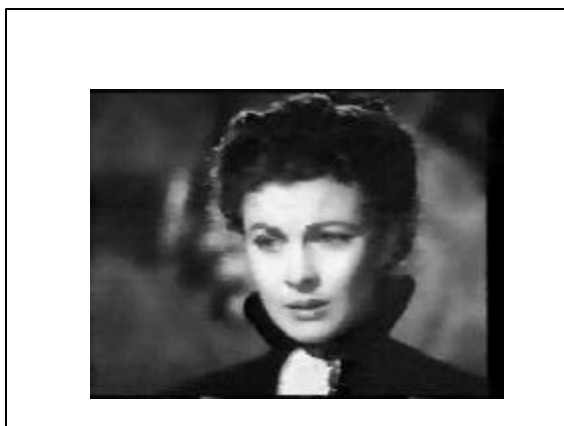
Woman and Man:

How do you end a relationship?





Seller	-	Buyer
<ul style="list-style-type: none">• The Sale = its over• Profit• Selling stops• Focus elsewhere• Tension released		<ul style="list-style-type: none">• The sale = trouble starts• Tool to yield profit• Shopping continues• Wants affirmation• Tension increased



Frankly my dear, I don't give a damn!



Driving Forces: - Light Feet

Who decides?

Who needs who?

Who trusts you?

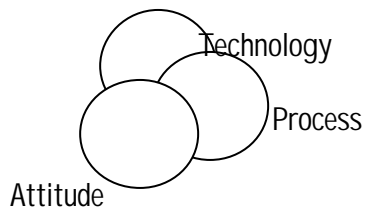
An Ideal 121 System

1. Customer trust the most valuable asset
2. Aims at Customers Best Interest
3. Priority to an existing or active customer
4. Each customer as an individual subject
5. Identifies individual preference and value
6. Handles an individual voice and want
7. Remembers individual transactions
8. Stores information for the customer
9. Builds all information on the dialogue
10. Instant access to dialogue data for all
11. Wants to learn from individual customers
12. Adapts the production process

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The Concept One to One



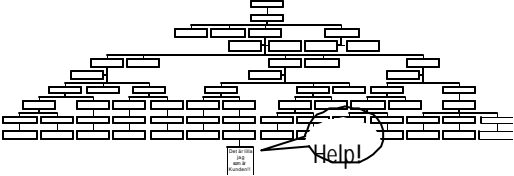
One to One as an Attitude:

1. Customers Best Interest
2. Learning Relationship

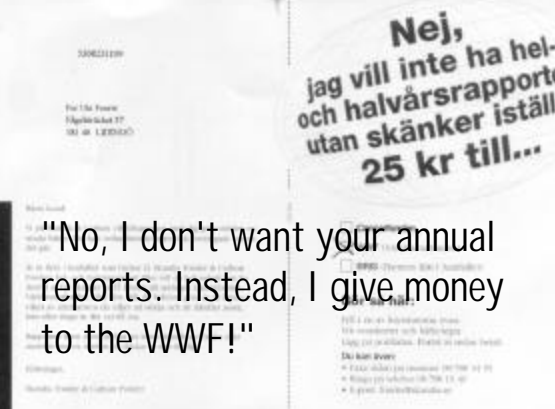

1. Customers Best Interest



1. Customers Best Interest



2. Learning Relationship



Nej, jag vill inte ha hel- och halvårsrapporter utan skänker istället 25 kr till...

"No, I don't want your annual reports. Instead, I give money to the WWF!"




2. Learning Relationship

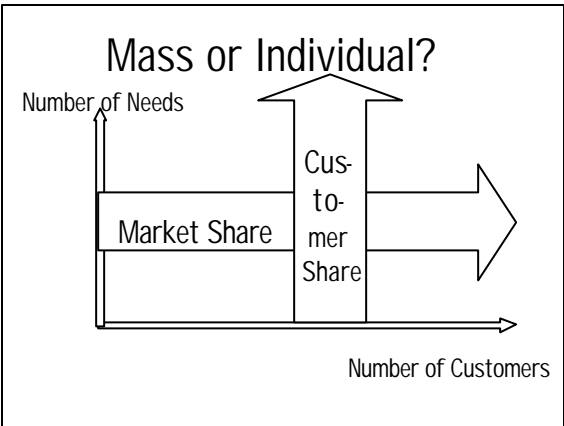
Listen and learn step by step

- Ask Carefully – no Polls
- Remember – for the Customer
- Spare the Customer - Let Her Be
- Simplify and Improve – for Her!

2. Learning Relationship

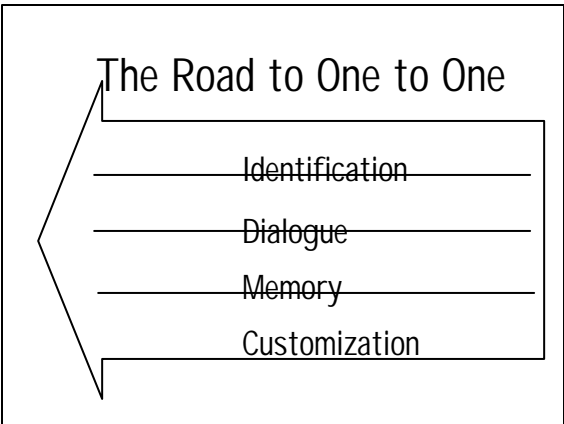
Listen and learn step by step?



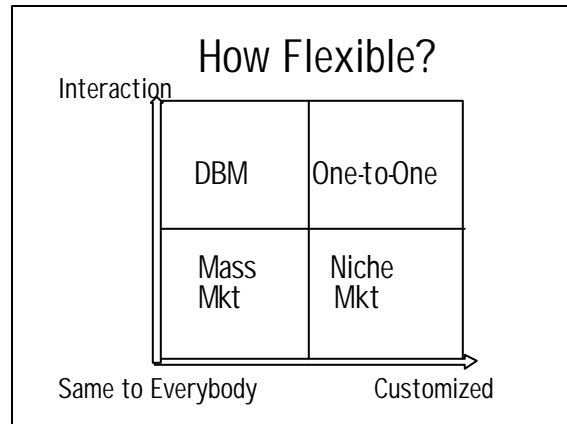
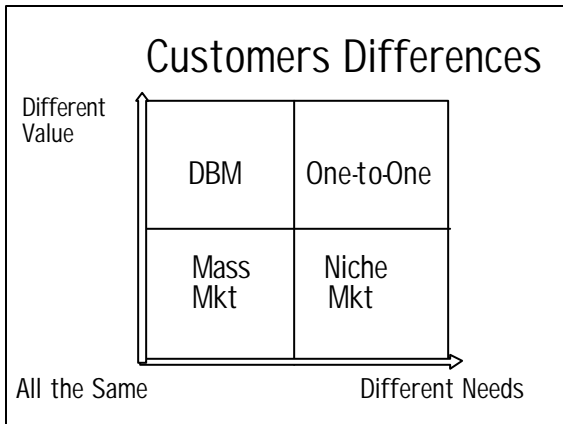


Organization

<p>Mass: Lateral</p> <ul style="list-style-type: none"> • Product by Product • Customers in the Pond 	<p>1:1: Longitudinal</p> <ul style="list-style-type: none"> • Smarter Interaction • Continued Individual Dialogue
---	--



<p>One to Many</p> <ul style="list-style-type: none"> • Ads sent home • Products Stored in the Shop 	<p>One-to-One</p> <ul style="list-style-type: none"> • Products sent home • Ads Stored on the World Wide Web
--	---



Lifetime Value - LTV

- Net Present Value
- Strategic Value

Who Drives Relationships?	Firm Propensity to Seek a Relationship	
	Low	High
Customer Propensity to Form a Relationship	High	<ul style="list-style-type: none"> • Health Care • Celebrities • Tech Support
	Low	<ul style="list-style-type: none"> • Stock Broker • Hotels • Hair Dresser

Värdefulla relationer

- Återköp och varaktighet
- Kundandel
- Lönsamhet
- Kunskap om preferenser
- Relationsengagemang
- Referensvärde

"Which is the most loyal creature?
 - The dog!

Do we want our customers to behave like dogs? The expression loyalty indicates an arrogant view of customers an obedient"

(John A Deighton, Harvard Business School)

Loyalty

- Buys over and over
- Over 50% share of customer
- Resists better offers

- Satisfied. Likes very much
- Recommends to others
- Involved in the relationship

The Ladder of loyalty

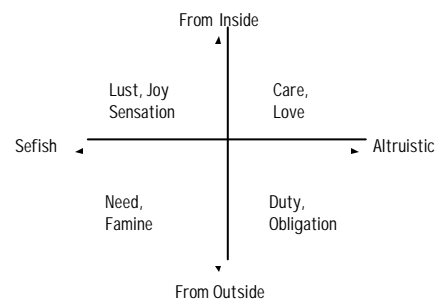
1. Prospect - target market
2. Customer - done it once...
3. Client - routine, no feeling
4. Supporter - likes us
5. Advocate - tells others
6. Partner - mutual advantage

Loyalty Driving Forces

- Force, Lock-in
- Bargain, bonus

- Habit, Convenience
- Commitment

Why are we doing it?



Värdefulla relationer - Exit, Voice and Loyalty

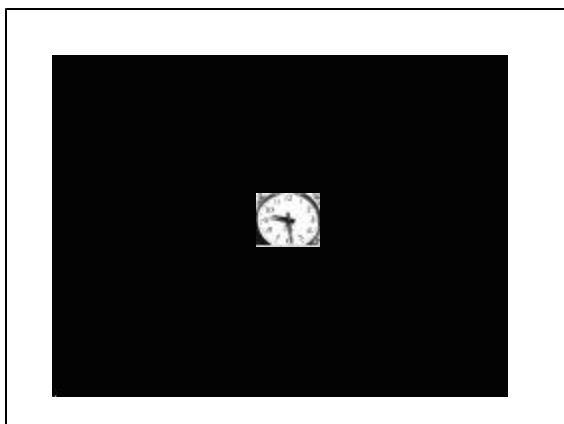
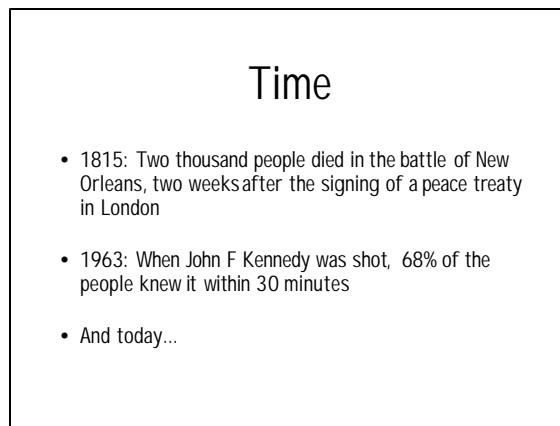
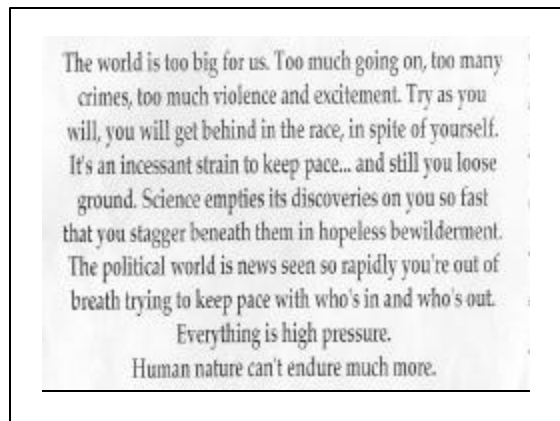
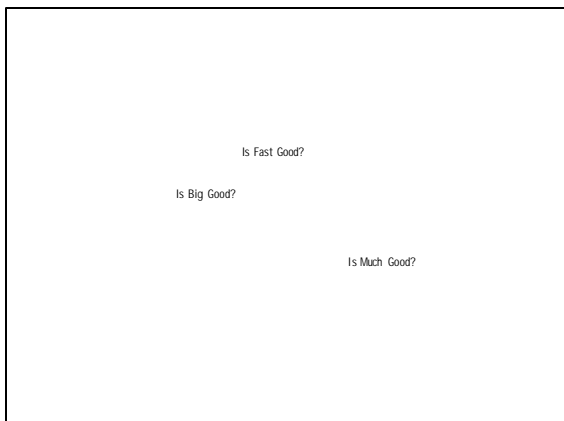
- Att bli sedd
- Lärande
- Knytkalas

Barriers...

- Channel Structure
- Reward Systems
- Corporate Culture (365)



Driving Forces:
- Light Feet
- IT-dream



Driving Forces:

- Light Feet
- IT-dream
- Speed Culture

Speed Culture

...Alice thought that one would get somewhere else, if only you run fast enough, for a long time...
 "How slowly you must be!" said the queen.
 "Here, you have to run as fast as you can, only to remain on the same place..."



Music

- Joanne Shenandoah: *Matriarch. Iroquois Women's Songs*
- Nusrat Ali Fateh Khan: *Night Songs*.
 Nr 10: Sea of Vapours

TABLE I
SMS VOLUME GROWTH – REGIONWISE*

Region	Estimated SMS Volume per Month	
	December 2001	December 2002
European Union	20,000,000,000	27,000,000,000
Eastern Europe	4,000,000,000	7,000,000,000
Other Europe	1,500,000,000	2,000,000,000
South America	3,500,000,000	7,000,000,000
North America	4,000,000,000	7,000,000,000
Middle East & India	1,000,000,000	2,000,000,000
Asia	5,650,000,000	10,000,000,000
Africa	350,000,000	450,000,000
Global	40.00 billion	62.45 billion

* Excluding Japan, voice-mail notifications and post-text message formats.
 Source: www.wirelessadwatch.com

Mitchell Stephen (1988), *Tao Te Ching*.
 NY: Perennial Classics

Bruya Brian, Tsai Chih Chung (1995)
Lao-Tzu's Whispers of Wisdom. NY:
 Anchor Books

Bruya Brian, Tsai Chih Chung (1996)
Confucius Speaks.
 NY: Anchor Books