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Focusing on the marketing opportunity with brand utility in mobile

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It is ironic that the sheer volume of marketing messages is rationalizing marketing and changing it from “Look, please look!” to “Dear Customer, What can we do for you?”

Studies and heat maps have adequately demonstrated that the advertisement gets ignored for the most part and that even hyper-targeted and relevant messaging has a small conversion or click-through rate. The phenomenal success of search engine marketing which instead allows customers to find what they already seek has a far lower customer acquisition cost.

The clearly demonstrated higher lifetime value of brand loyal customers is yet another indication.

Custora’s study in 2013 comparing customer acquisition and retention in different marketing channels calls out organic search as not only the best in customer acquisition (15.8 percent of acquisitions) but also delivers customers of highest lifetime value (54 percent above the average).

Email is the next best channel, with corresponding numbers of 6.8 percent customers acquired and 11.8 percent above average life-time value.

Marketing needs to move from “interruption” to not just “highly relevant” but to “facilitation,” while yet remaining top of mind. This is the realm of “brand utility.”

Brand utility is not to be confused with the central product or service of the brand itself. Brand utility is additional value or service so neatly integrated into the brand experience and provided to the customer that it drives both awareness and loyalty.

In today’s world of ubiquitous mobile devices and skyrocketing mobile usage, the largest and heretofore unexploited opportunity in marketing is to innovate in brand utility on mobile. This would allow brands to grow “regularly used by the customer” roots within their customers’ universe of interests and needs.

The questions are: How do we understand what brand utility is? What can we do about it on mobile? When should we do it?

What is brand utility?

Here are great examples of brand utility and the difference between utility and the brand itself:

One of my favorite examples of brand utility is Scrabble WiFi.

Scrabble provided free WiFi access to folks who made words from jumbled letters. The word score translated into the number of free WiFi minutes and if you shared the word on Facebook then the minutes doubled. What an interesting way to entice and subtly create Scrabble enthusiasts.

Another excellent use of mobile in brand utility is the Audi Start-Stop App.

The app applies the same principle as the Audi car start-stop system: a system of energy saving that turns off the engine when the car stops at a traffic light and turns it on again when the car starts.

This simple app uses the same principle to save phone battery and other resources. The app detects which applications have been open longest without being used and sends an alert to the user to close them. This way it saves battery and makes the phone an even more efficient tool.

This is a very interesting way to drive awareness of the start-stop concept and consistently remain top of the consumer's mind.

A seemingly trivial but extremely sophisticated effort comes from Ray-Ban, the sunglasses maker.

Ray-Ban helps its customers and sun enthusiasts in cities find sunny spots so they can enjoy the sun. The app actually includes a city skyline along with the ability to track the path of the sun over the time of day and even plan a walk that maximizes sun exposure for

you.

This app facilitates Ray-Ban usage, enhances experience and clearly differentiates Ray-Ban from other sunglass makers to drive loyalty.

The Starbucks Early Bird app, which does not seem to be available anymore, is just diabolical. It is a very simple wakeup alarm app that rewards you with a Starbucks coupon if you just keep yourself from hitting "snooze" when the alarm sounds.

Starbucks apps seem to have taken other focus since but making Starbucks a part of a customer's daily morning routine while helping them wake up and also driving a sale is ingenious.

Both Adidas and Nike provide running or workout apps that do everything from tracking your runs, to analyzing and coaching you in real time.

While these are definitely interesting apps and even provide the brands with a depth of information about the user, nothing truly ties the utility to the brand itself.

Adidas Runbase provides rentable lockers, showers and shoes in urban Tokyo where office workers have no such options available if they want to run the beautiful circuit around the Imperial Palace. This is an excellent effort in brand utility. However, it must be noted that this is highly localized and definitely cannot be taken with a customer wherever they go.

The SitOrSquat app by Charmin is much talked about these days and can help you find public restrooms near you or where you are planning to travel. You can search, view, rate and add public restrooms to help you, your family and others "enjoy the go, on the go."

While this app can be taken with you anywhere, it is not something a customer would use daily and definitely does not stimulate – gently or softly – any sales for Charmin.

Other examples of brand utility on mobile and otherwise are easily found via simple search engine searches. Look for great examples on Digital Influence Today. Also, there are great resources online about brand utility. Look for Ingemar de Lange's excellent slide share about it. There is also a Web site dedicated to brand utility.

These examples and resources are illustrative but it is useful to discern between brand product/service and brand utility.

Unfortunately, brand utility is somewhat misleading. Whatever product or service or portfolio the brand represents has a core utility. This utility is not brand utility.

Brand utility is any service or useful extra provided as part of the effort of brand promotion. Perhaps it is better to refer to this as "brand promotional utility." This utility enhances the core brand experience but is not the core product or service represented by the brand.

Brand promotional utility provides added value to the user while delivering brand messaging in the context of user need, thereby driving brand enthusiasm and loyalty.

A promotion that is useful apart from being just a promotion is a likable promotion and thereby makes a brand preferable.

Brand promotional utility facilitates and engages brand related behavior on the part of the customer.

Lastly, it allows brands to more actively influence sales and repeat usage by finding and removing barriers based on brand related activity of which it has become a part.

The new brand experience is a significant enhancement of value derived by the customer from the brand.

Opportunity in marketing with brand promotional utility on mobile

Examples have shown how efforts in brand promotional utility deliver brand awareness and drive loyalty.

However, this is not merely an additional marketing opportunity. This is probably the only marketing opportunity left.

Even as the competition for mindshare forces marketers to provide the most relevant messaging, customers are changing the landscape further by choosing when and how to engage. Intent takes precedence over all else.

Customers and potential customers prefer to engage their own intentions and interests at a time of their own choice in a place of their own choice. This is the reason behind burgeoning usage of mobile.

Forrester Research's North American Technographics Online Benchmark Survey (February 2013) revealed that 75 percent of smartphone users access information from stores, outdoors and cars. Sixty-five percent of users access from their living rooms, bedrooms, while traveling and in restaurants. Fifty percent or more users access from work or in their kitchens.

Consistent engagement is impossible without providing utility that caters to intent and interest. Consistent engagement is impossible without doing so on mobile.

Brand promotional utility on mobile is the only way to do this. Further, it allows brands to explore, understand and construct in areas of customer interest and need that are adjacent to the brand experience.

In comparison, it is very useful to see that while traditional marketing campaign efforts yield discrete and short-lived increases in mindshare and results, brand promotional utility engages, retains and provides sustained results over time.

A well-planned combination of traditional campaigns in concert with brand promotional utility will yield the best results in awareness, conversion and loyalty.

Stepping into brand promotional utility with mobile

The growth of mobile traffic is undeniable. Seventy percent of traffic to The New York

Times has caused them to dedicate creative and technical resources to mobile.

Consumers are not just increasingly mobile, but because they are mobile they are likely intent- or need- driven. They are going out on mobile to find what they want and need, while ignoring anything else, including advertising.

This presents two opportunities: to be hyper-relevant with marketing and to drive brand loyalty with genuinely usable branding.

Hyper-relevant marketing only raises awareness and does not keep your brand in the mind of the customer over time.

Brand promotions that provide something of regular use to the customer is the only way to stay in your customers' minds over time. In fact, this solution needs to be something mobile accessible so that customers can access it wherever and whenever they need it.

The following are very important to bear in mind when designing digital or mobile services as brand promotional utility:

1. Make something the customer does regularly a bit easier. Starbucks applications make payment extremely easy. Patagonia has a digital portal that shows how to repair your gear. Quantified self and health apps help you stay on your diet as well as track and report health concerns.

Mobile utilities that support personal goals or reduce effort and automate tedious manual tasks undeniably attract customers to your brand.

2. If a customer will not pay for a service like this, it may indicate you are not building a useful service. This might change your business model or mean substantial expenditure. However, an estimate of cost against benefit will clearly show that cost of building, maintaining and distributing the service is much smaller than the customer acquisition cost you might spend to onboard just as many customers.

3. Create new mass-medial vehicles or channels. Platforms or services that start to become communities or a commodity are the real end goal. Communities will attain their own momentum and reduce the brand's customer acquisition cost over time.

4. Create new digital commodities. Services that become commodities not only gather huge customer bases, but also allow the brand to productize and enhance the core product.

Apart from these, basic marketing rules apply:

5. Build services that fit the brand and its unique promise.

6. The three E's. The service must enable the customer to entertain, educate or enrich themselves. The service must enable unique and bespoke usage personal to each customer. This allows your customer to build their unique and preferred experience with your brand.

7. Most importantly, enable data collection about brand-related activity. This allows the

brand to understand customer desired value and behavior in areas adjacent to the brand and provides insight into behavior that can be readily leveraged in any future utility or campaign efforts.

WITH THESE guidelines you can reduce expenditure on intrusive promotional messages that might not work and instead build an ecosystem of utility that your customers will participate in regularly, allowing you to build one-on-one relationships with them.

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