Taking the subway to get from A-B

Simple messages and complex marketing

Review

There is a curry restaurant chain in Japan that offers its customers a unique proposition – eat 1.3 kg of a curry of your choice and it is free, as long as it is all consumed within 20 minutes. What is unusual is that this family restaurant does not offer the deal for just the hungry Dads, but the whole family.

''Eat as much as you want'' offers are of course commonplace in restaurant chains, and they will usually attract famished fathers rather than a whole family of gluttons. In Japan, things are different. On each restaurant wall near the exit is a catalogue of the records for young and old, male and female, from around the country. Speed eating is revered in Japan, which perhaps explains the success of Takeru ''Tsunami'' Kobayashi's in the Nathan's Hot Dog Eating Contest on 4 July in Coney Island, in New York.

But would such a mass-market concept be a success outside Japan? And how can we understand which markets, if any, would embrace such an idea?

Footlong and fancy free

Another concept that has demonstrably worked in its marketplace is the $5 ''footlong'' sandwich roll from the US fast food chain Subway. It was the brainchild of a Florida franchisee, whose idea of drumming up extra trade during quiet weekends turned into a national phenomenon in the USA. What turned this nifty idea into driving sales of close to $4 bn was a happy coincidence of marketing mix factors: great price point, fresh product, convenient places and eye-catching, simple promotional messages.

In his article on the success of the promotion, Boyle (2009) details the background of the offer from its roots at Stuart Frankel's Subway franchises in South Florida to national prominence, copycat promotions from worried competitors and the effect it had in propelling the sandwich chain into the ranks of McDonalds, Burger King and Wendys.

While Subway saw sales rise by double digit figures in many outlets, Boyle picks up three interesting aspects of the success of the promotion. First, not all franchises thought it was for them, and many stores and territories did not sink their teeth into the promotion at first sight. Second, some stores were victims of their own success, with such a run on bread, meat and other ingredients that there were severe shortages, with suppliers having to be cajoled into upping their numbers to keep up with the demand.

Finally, the chain undoubtedly benefited from a further ''P'' that could be added to the mix, which was economic ''pressure''. The roll out of the offer coincided with the first signs of the

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credit crunch in 2007. As Americans started looking at their own bottom lines, the temptation to save a few bucks at lunchtime was hard to resist. Market research also showed that office workers were only eating six inches at lunchtime and saving the rest for dinner or lunch the next day.

Consumers into marketers

And this is the traditional way to use consumers. Study their behavior, ask them questions, figure out why they are buying a certain commodity and how to use it. Such market research is as old as the hills, and while it has become more sophisticated in recent times, the principle has remained the same.

But what if firms took it one step further and asked consumers to actually market the product themselves? This approach is seen as one way to maximize the chances of a product’s success, by asking consumers adopting a product or service to turn their experience into messages for others to see and hear.

This approach has garnered a lot of attention, and has probably turned many off with some of the terminology that comes with it. Terms such as ‘‘crowdsourcing’’ and ‘‘co-creation’’ sound like the product of an over-active marketer’s mind rather than effective, proven strategies to improve sales. However in her article on this new marketing concept, Jack (2009) is able to point to tangible benefits of such a marketing strategy and wade through all the hyperbole and buzzwords.

Using the example of the Unilever snack product Peperami, Boyle is able to show that new so-called ‘‘democratic marketing’’ techniques are entering the mainstream and getting results, in a way that has some traditional marketing agencies worried.

A bit of an animal

Unilever has long courted controversy, mostly by design, with it is promotion of its Peperami snack as a character that is alive and well, but desperate to be eaten, throwing down the challenge to consumers to take a bite. In a concept labeled ‘‘Idea Bounty’’, Unilever decided to open up ideas to consumers by using a ‘‘platform’’ that could also be utilized by other brands in their massive portfolio. The ‘‘bounty’’ is the carrot offered to incentivize the submission of ideas, whether it be from career creatives or Joe Public. The degree to which the company takes the platform seriously can be seen its point of difference to other crowdsourcing initiatives, in that it keeps individuals’ ideas private rather than having them open for all to view in a public forum.

For the client organizations the benefits are clear: it is cheaper than having a full scale agency brief, it provides a wider range of ideas and feedback and can cover a multitude of geographic and social areas. However, for agencies the benefits are rather more debatable. At a time when there is pressure on advertising and marketing budget spend, this sort of phenomenon has got many executives nervous, with a lot of negative comment posted on the internet pointing to the erosion of client-agency relationship that has produced so many profitable campaigns and brands.

Complex equations

Such environmental factors such as the economy have a huge impact on the success or otherwise of a marketing strategy. Sometimes, those who read learned articles and case studies in the literature will realize that while they tend to observe many black and white successes, business is rarely as simple and straightforward as that, often answers lie in the shades of gray of business performance indicators and the economic conditions at play.

Griffith (2009) shows us at least how to develop a complex method in order to create some order and control in the often mixed messages that are fed back from the marketplace.

Starting from the realistic point of view that the market environment and the changes it undergoes are of paramount importance to any product or service and its marketing, Griffith examines the idea of institutional economics, that is the degree to which the environment is governed by social, legal and political factors to produce what can be termed ''national performance indicators''.

Looking across these factors, Griffith seeks to determine their convergence in terms of speed and degree, while assessing the overall impact of political, legal and cultural integration. Such a view is especially useful when looking at an area such as the European Union, where there is political and legal convergence, but the impact may differ from country to country, and the speed of convergence can vary. It can also take into account territories such as the UK which does not have the common currency of the Euro, and recent entrants such as Poland which will have less in common as founder states such as France or Belgium.

The impact on marketing strategy can be seen in the potential standardization of marketing mix activity, so that while the ''4Ps'' remain the same, the focus they have is much more flexible and diverse, and there is evidence to back up the claim that this is an approach being adopted by marketing researchers and professional marketers alike. Looking at a ''sliding scale'' of the institutional impact on market segments provides a more dynamic approach for businesses, and a more popular approach for determining the suitability or otherwise of a product or service.

Conclusion

In the digital age, such flexibility in approach will be the *sine qua non* of marketing strategists. In order to both enact and react to the employment disruptive strategies, as well as develop a plan for the fragmentation of markets and promotional delivery, many firms could find themselves left out in the cold if their approach is one dimensional.

A real life example of this can be seen in the negative reaction to the democratic marketing strategy employed by Unilever reported in the article by Jack. In an established line of business there can often be a severe reaction to such a disruptive strategy, and while some will simply bleat about it and cry foul, others will expand their horizons, readjust their corporate strategy and develop their own brand of disruption. Such strategies have been employed time and again by the likes of Apple, and all the time they manage to stay true to core beliefs. Whether it is cheap sandwich, a meaty snack or a radical new view of market entry, the first steps the firms discussed here have made is to be clear about the message and consistent in their positioning, whatever that is. Such a dynamic approach is the key to

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understanding new markets and how to adapt to them, and in the case of the Japanese curry restaurant chain, also the realization that the answer to the question of opening up new international markets the answer may well be, ‘‘er, no thank you!’’.

Comment

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Franchising,
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Internet marketing,
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The articles reviewed above provide a broad understanding of marketing strategy in modern markets where there are shifting economic factors and significant market fragmentation. For the practitioner, the insights provided by Boyle (2009) and Jack (2009) on the genesis of promotional campaigns for Subway and Peperami respectively, are particularly useful. When allied to the ultra-flexible approach provided by Griffith (2009), there is real insight as to how to form a market selection strategy across international markets which will benefit any marketer in their own approach.

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