



CUSTOMERS 2012 : Marketing and Trends

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INTERNATIONAL GAS UNION MEETING

Barcelona, October 2nd 2012

Introduction: A bit of background...



Introduction: Lines of Activity of Marketing for IGU

Marketing natural gas and promoting new usages – *the search of best practices*

Competing with other energies – *what can we learn?*

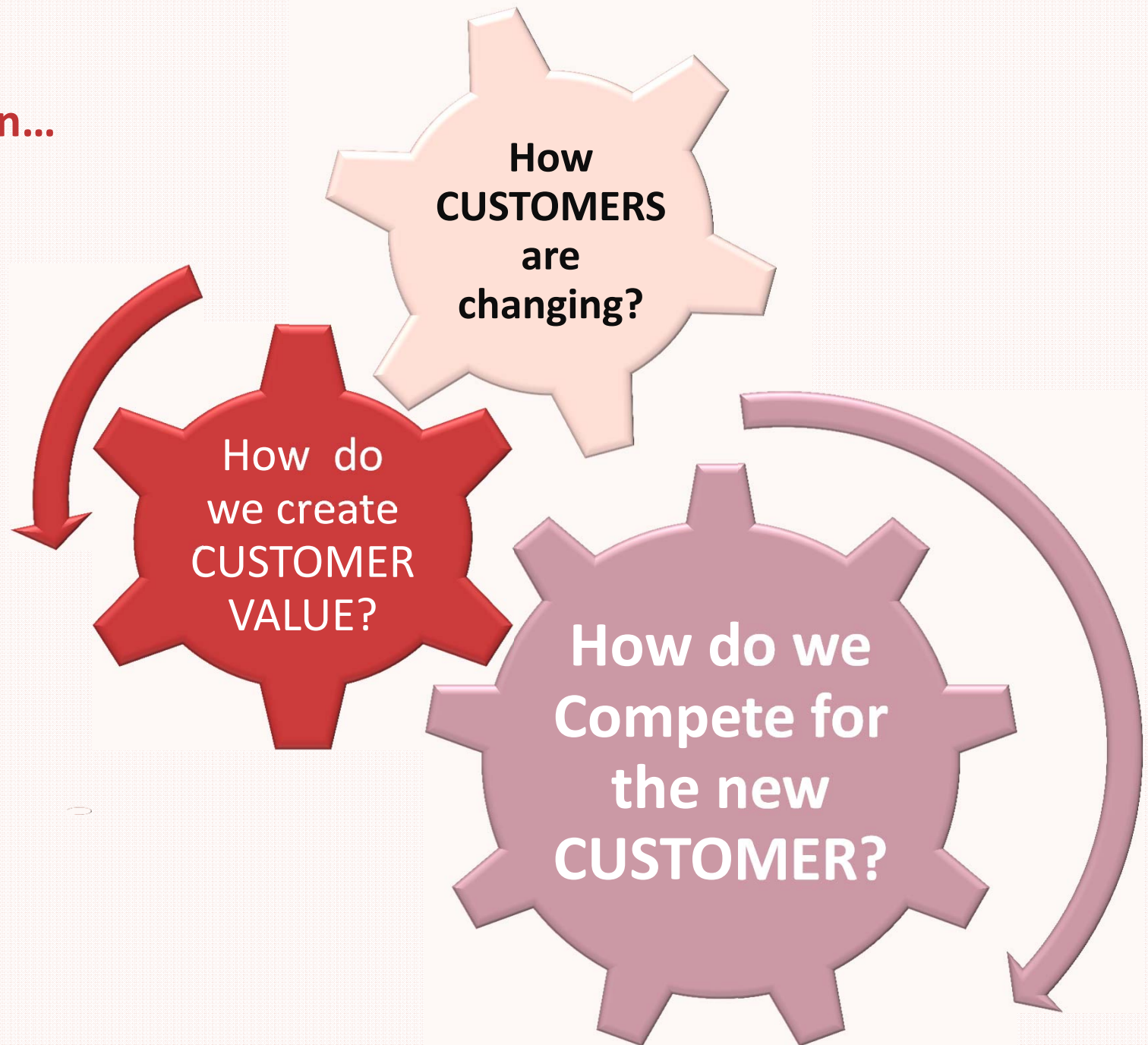
The case for natural gas – *advocacy and effective communication strategies*

Introduction: In this session, we will focus on the customer...

“There is only one valid definition of a business purpose: to create a customer ... it's the customer who determines what a business is ... it is why there are two basic functions in business, marketing and innovation.”



This session...

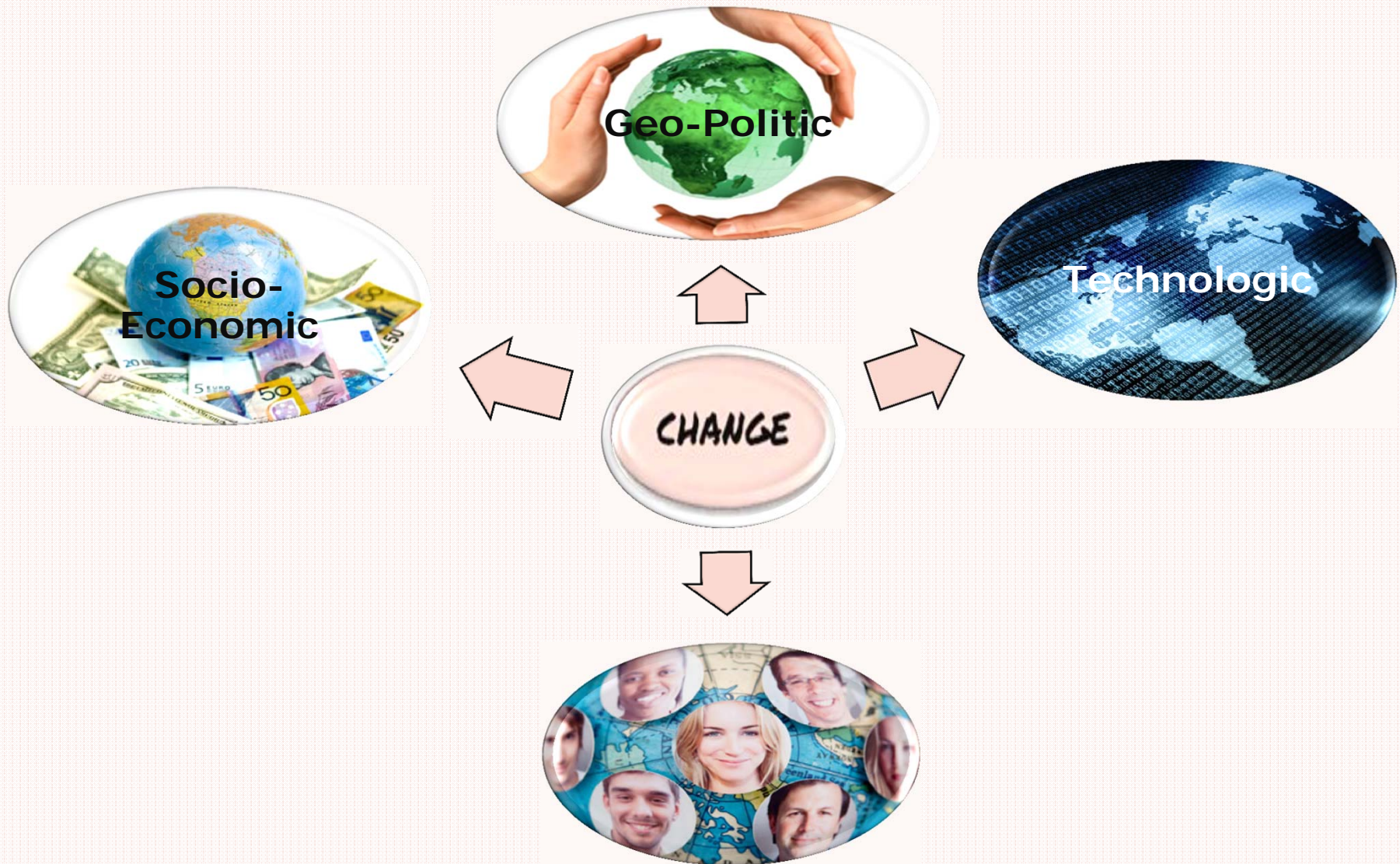


**How
CUSTOMERS
are
changing?**

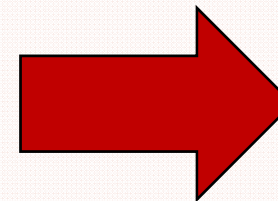


**THERE'S NO
SUCH THING AS
SMALL CHANGE.**

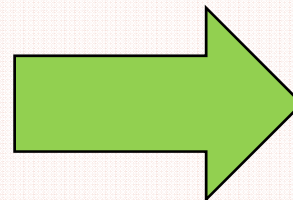
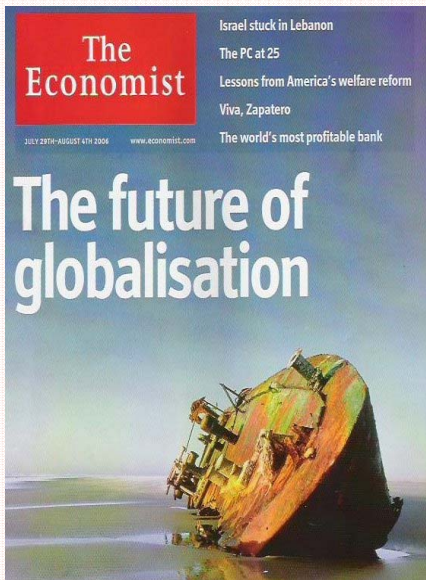
There are Socio-Economic, Geo-Politic and Technological changes that are shaping the Consumers of the Future



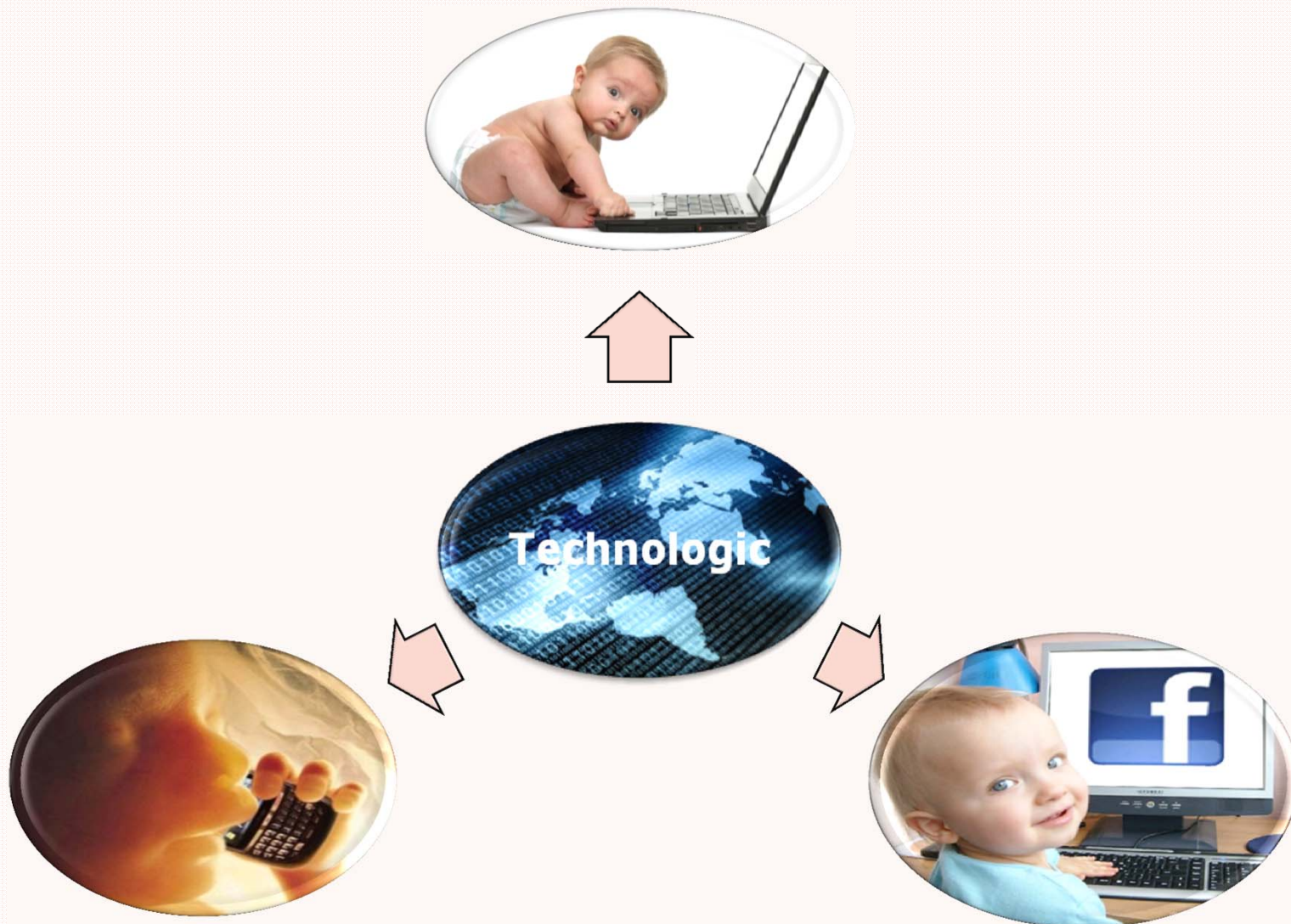
Global demographic and lifestyle changes and the current status of the Economy are bringing new opportunities and threats



The future of Globalization, Natural Resources and the political context are question marks for the sustainability of what we know



The rising of the digital natives, the new opportunities on mobility and computing have changed dramatically how we are connected



These changes are shaping the new generation of buyers:



GEN Y (a.k.a. as Millenials) is the name coined by sociologists to refer to the sons of Boomers that are now around 18-30



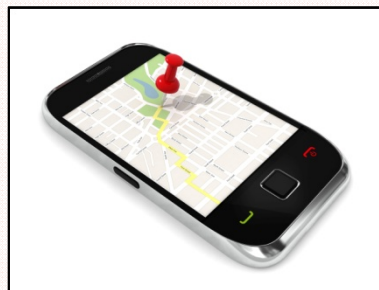
... they have been studied for some time by academics and marketers



Ten key Gen Y characteristics

1. Continually connected
2. Speak their own language
3. Skeptical of authority
4. Influenced by peers
5. Seek recognition and fame
6. Enjoy absurdity and odd humor
7. Embrace a variety of subcultures
8. Skim text and information quickly
9. Easily bored
10. Expressive and digitally creative

Some key trends that are especially relevant...



How do we
create
**CUSTOMER
VALUE?**



What is to Create Value?



J'adore 50 ml

Selling Price @Amazon.com : \$ 102

Price/liter: \$ 2.040

Variable Cost: ???

See...

Listen...

and Talk...

To see: Understand where the Value Is: The New Coke Case

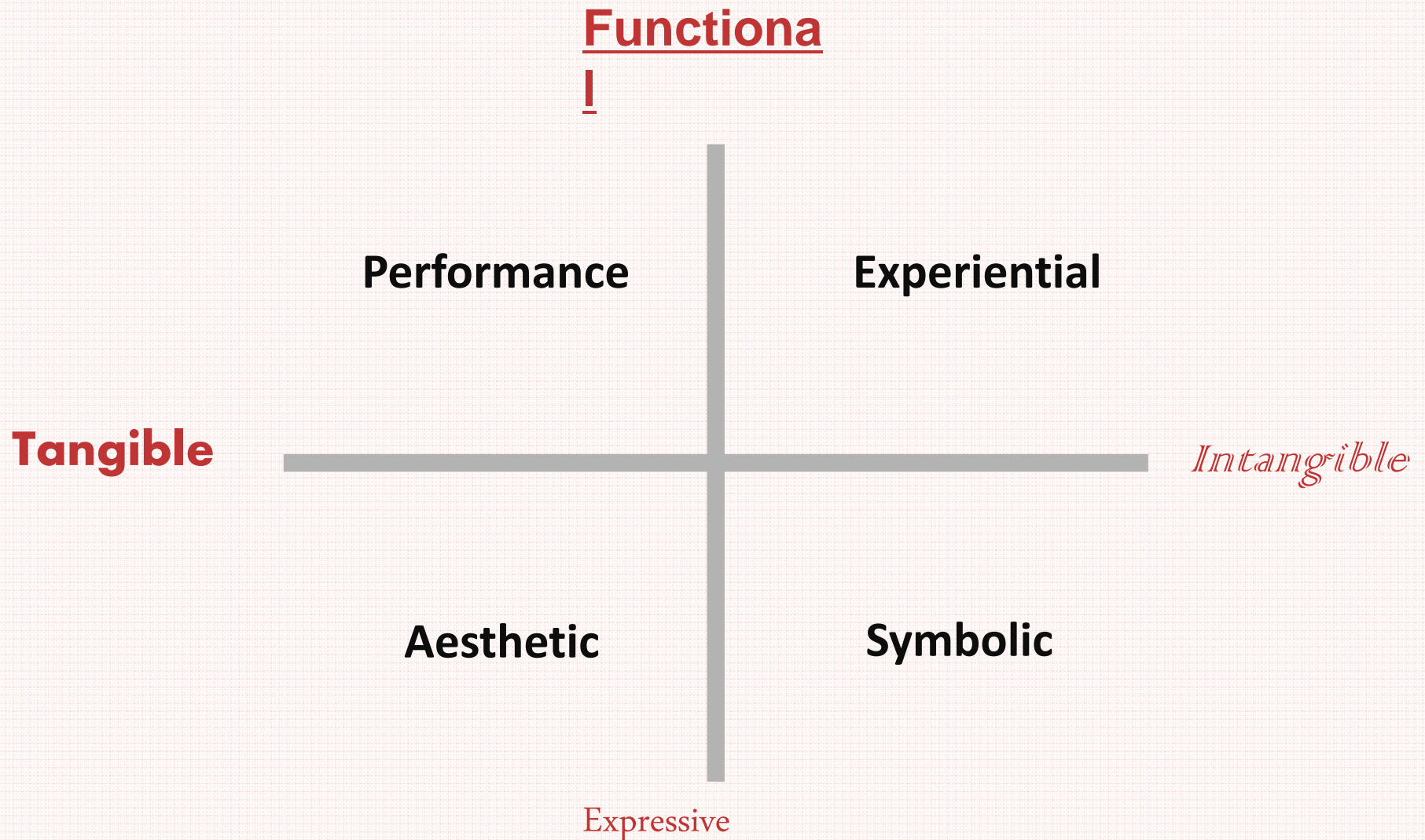


- The *Coca-Cola Company* run Market Research to develop a new taste for Coke
- They came up with a sweeter taste after running focus groups and surveys
- They launched successfully in test markets (NYC and Washington)
- National Rollout: April 23rd, 1985

To see: Understand where the Value Is: The New Coke Case



Products and services have tangible and intangible components with functional and expressive values

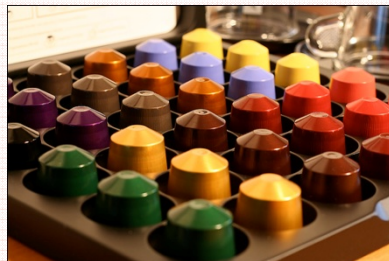


Value Proposition

Products and services have tangible and intangible components with functional and expressive values

Functiona

!



Tangible



Intangible



Expressive

Performance

Performance is achieved by different drivers depending on the customer

FUNCTIONALITY

(efficacy. i.e. does the job...)



COST
(efficiency)

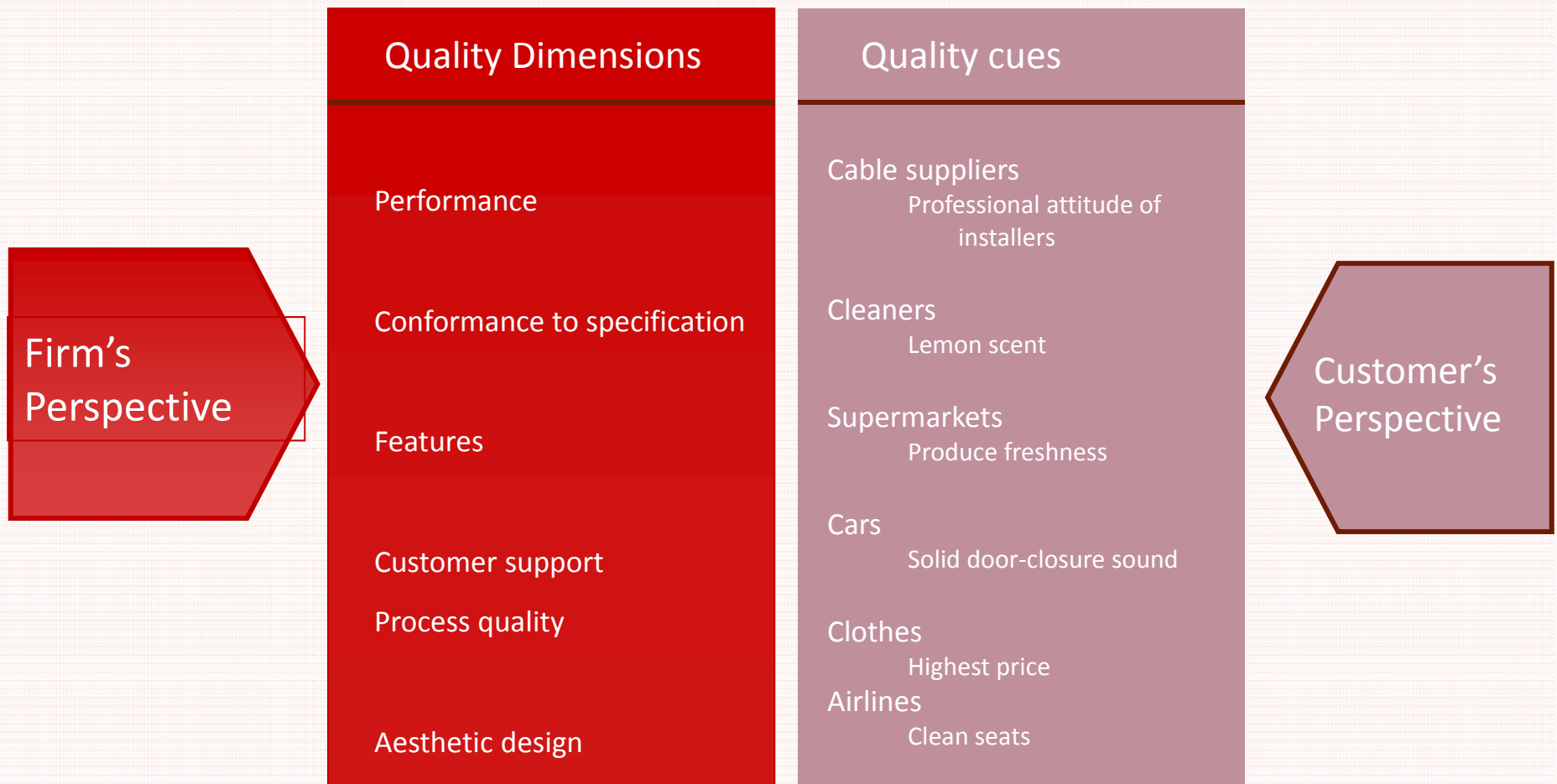
RANGE

(Adaptation to needs)

SERVICE

(agility/flexibility)

Quality is on the eye of the customer



Internal quality

≠

External quality

*“People don’t buy quarter-inch drills;
they buy quarter-inch holes”*

Ted Levitt



“In the factory we make cosmetics; in the drugstore we sell hope”

Charles Revson,
Revlon

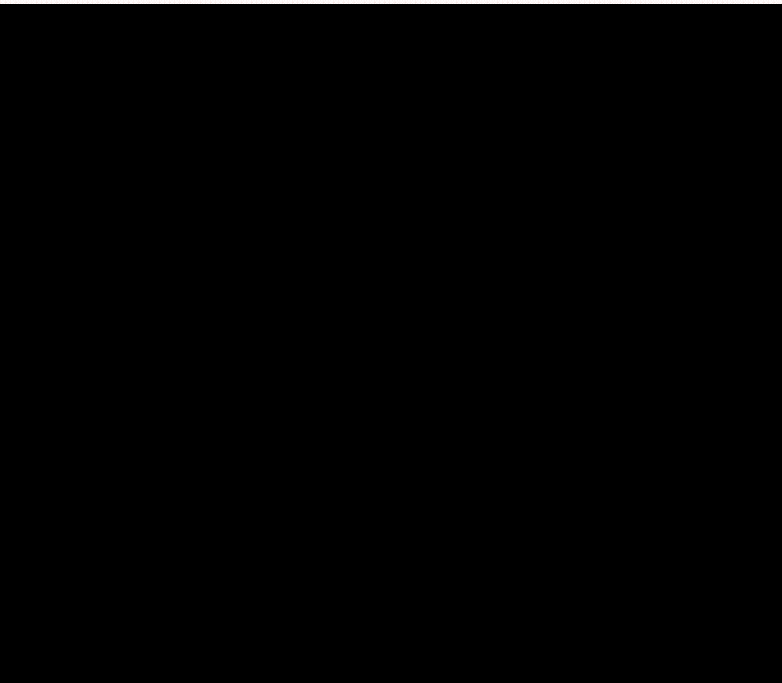


Products and services have tangible and intangible components with functional and expressive values

Func

!

BRANDING



gible

Expressi

And for a professional/ industrial customer?:



FRIENDSHIP

CONFIDENCE

TRUST

RELATIONSHIP

PARTNERSHIP

COLLABORATION

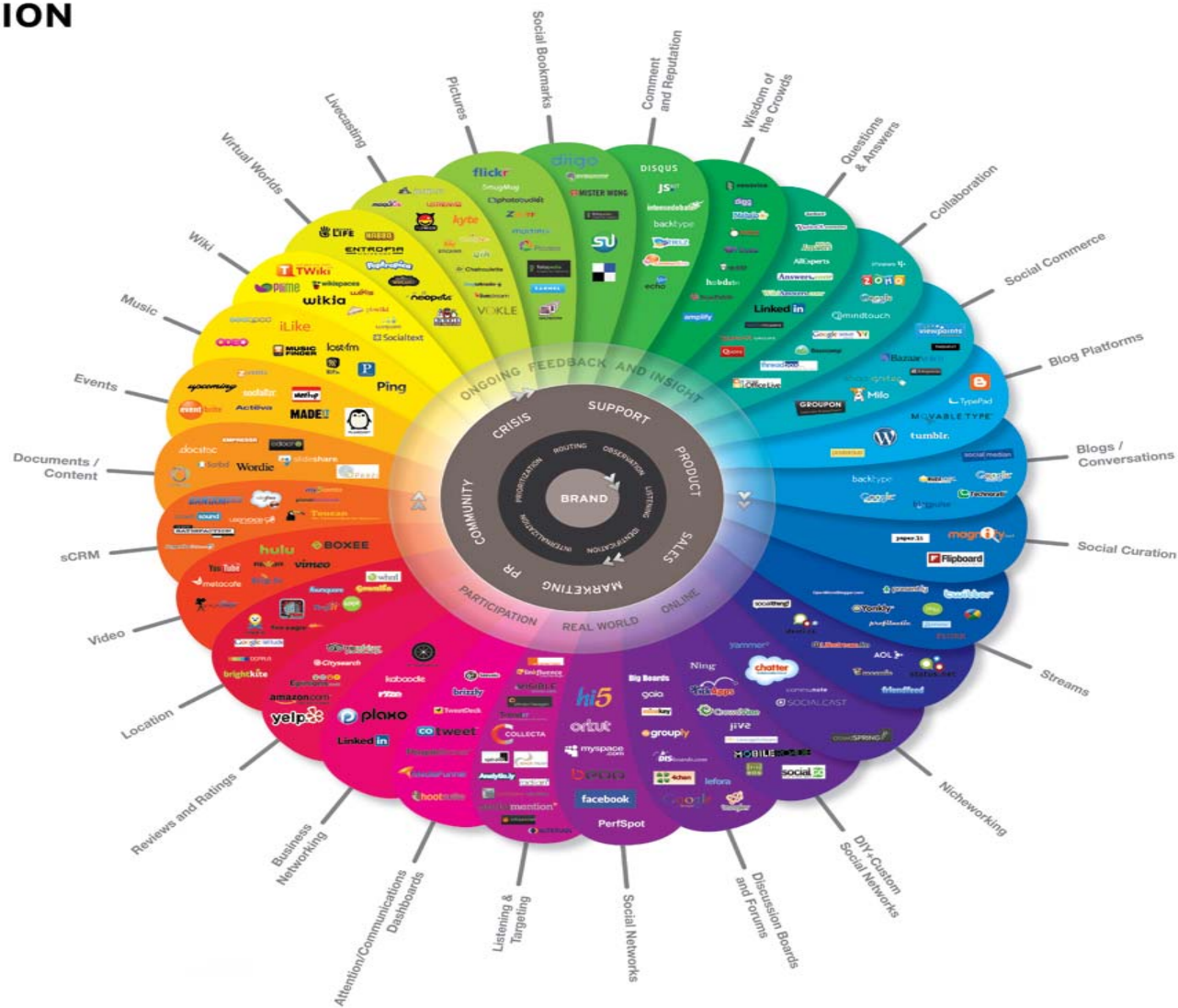
RISK CONTROL



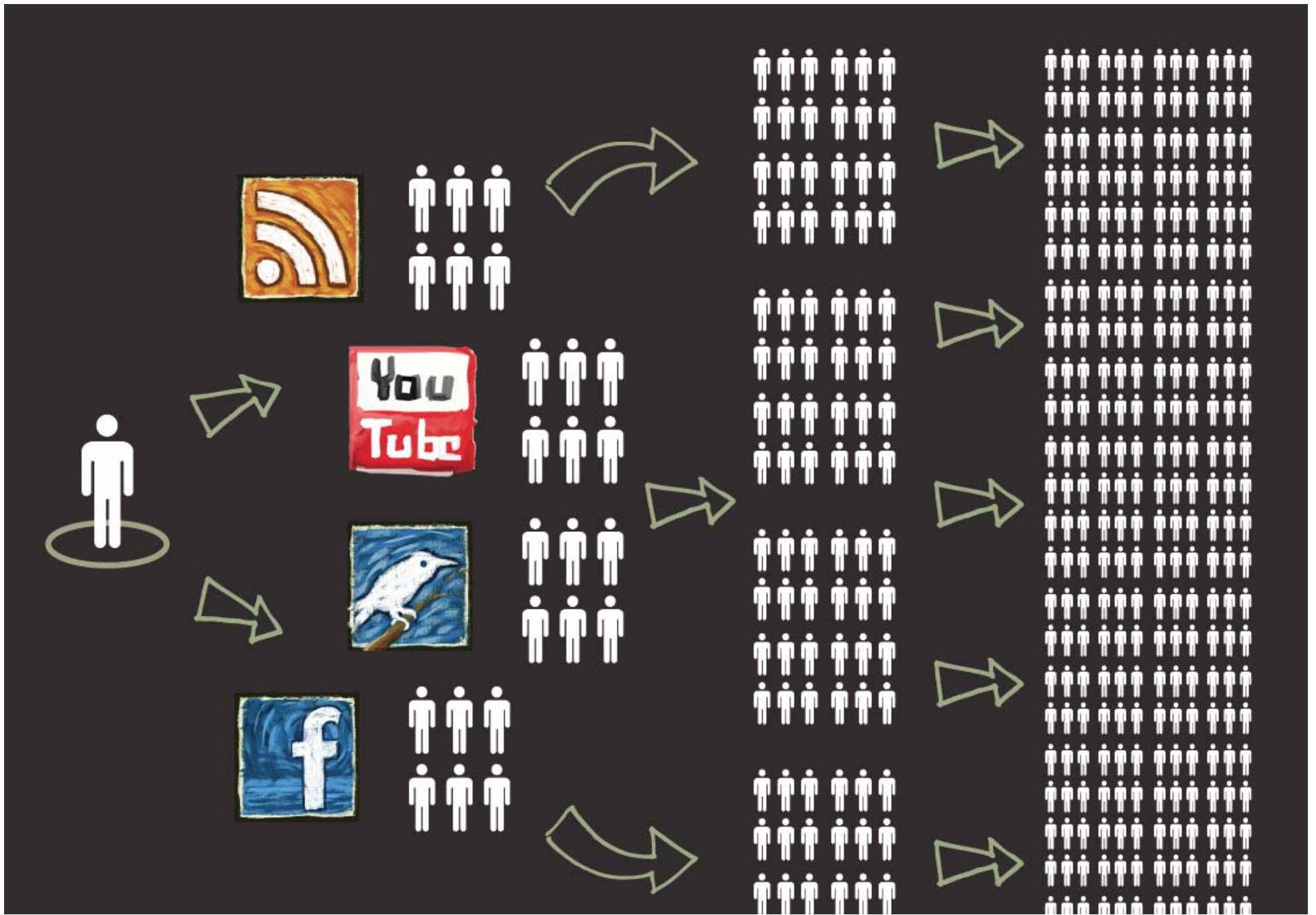
TO LISTEN: Because the conversation is going on...

THE CONVERSATION PRISM

Brought to you by Brian Solis & JESS3



For more information
check out theconversationprism.com



TO LISTEN never has been so important

...because our customers love to talk!: We have to be systematic

Steps in the consumer decision journey

Consider

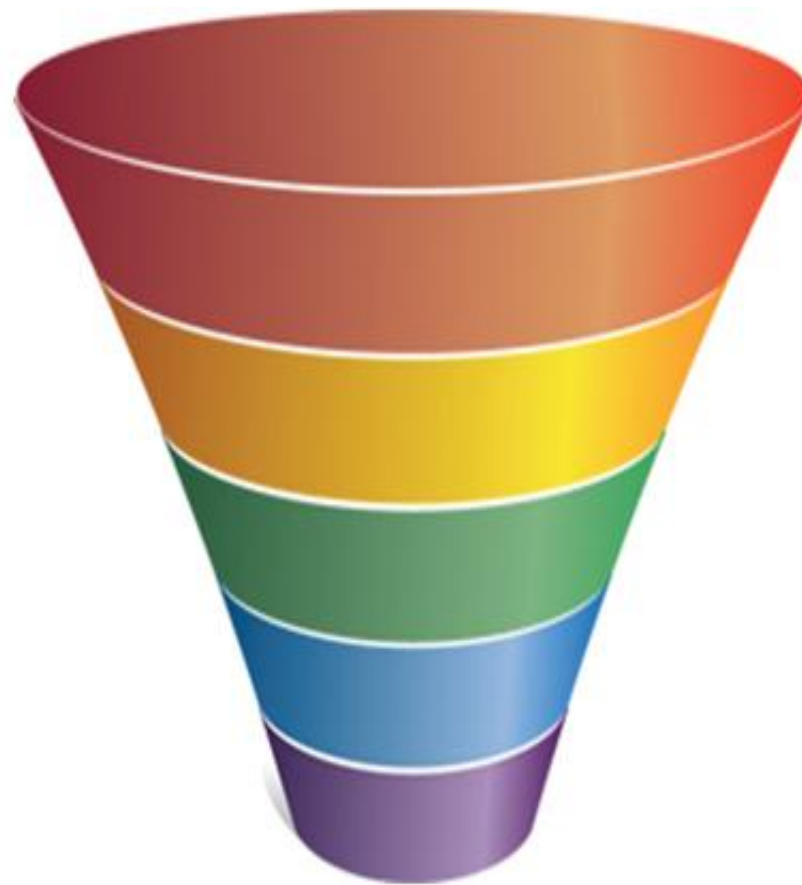
Evaluate

Buy

Experience

Advocate

Bond



To talk: Learn how to manage this mess...



Video Games/Virtual World



Street Events



DVR



Podcast

Wii



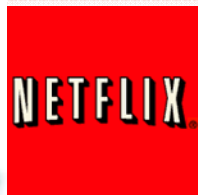
HDTV



STARBUCKS.CO



Playstation



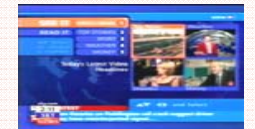
Movies



Magazines



Stores



Interactive TV/SMS-TV



iPod



iPad



iPhone



PDA



Cell phone



amazon.com



Blogs & Discussion Forums



Broadcast Yourself™



Product Demonstration



MP3



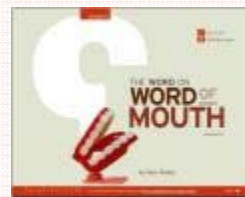
Newspapers



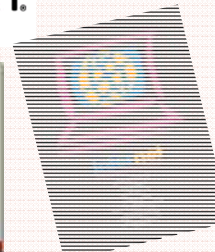
Computers



Electronic Billboards



Word of Mouth



Web 2.0



Satellite Radio



Radio



ATM

...and mobile devices provide new opportunities to be closer than ever.



@Apper

We communicate with all the parts of the company that interact with the final client

Technology



Retail Experience



Employees



	16 GB	32 GB	64 GB
WiFi	\$499	\$599	\$699
WiFi + 3G	\$629	\$729	\$829

Price



Events and Communities



Citizenship

The need to be AUTHENTIC becomes a must in our conversation with a questioning and empowered consumer



Questioning

Informed

Self-reliant

Vocal

Connected

Empowered

The challenges



**How do we
Compete for
the new
CUSTOMER?**



Strategy

Let's review three companies in mature businesses with abnormal high returns



Product leadership

Why the iPod became the undisputable leader of mp3 players?

Hardware
& software



Product Portfolio



Design



Packaging



Retail channel and
integration



Operational Excellence

Good operations have built very powerful brands looking at mature sectors in a complete different way



Customer intimacy means to answer the requests of customers faster



Barcelona, June 9 2001. Madonna starts her Drowned World Tour in Barcelona. She appears on stage with a miniskirt by Jean Paul Gaultier.

Berlin, June 19 2001. The first rows of the concert packed with teenagers wearing the same miniskirt.



The miniskirts were sold at ZARA

- Re-styling, production, and transportation of 10 sizes. Six days later, 100.000 units in Zara Europe.

Strategy

We compete through the combination of product leadership, operational excellence and customer intimacy

Be Close to the Customer



Operational Excellence

Product Leadership

TO OUR CUSTOMERS:

As with all businesses, our customers
want their jobs done

GOOD & FAST & CHEAP.

HOWEVER, through careful research
and years of experience,
we have determined that it is only possible
to give the customer
ANY TWO of the above.

Kindly select the combination
that best suits your needs:

- A. GOOD & FAST (will NOT be cheap).
- B. GOOD & CHEAP (will NOT be fast).
- C. FAST & CHEAP (will NOT be good).



**I WANT YOU
TO CHOOSE**

NEAREST RECRUITING STATION

Summary

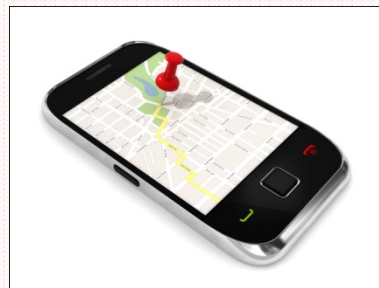
The key ideas of the session...



GEN Y is the name coined by sociologists to refer to the sons of Boomers (a.k.a. as Millenials) that are now around 17-33



**GEN
BUY**



Value Proposition

Products and services have tangible and intangible components with functional and expressive values

Functiona

!



Tangible

Intangible



Expressive

Our customers love to talk... maybe we should listen!

	trends, insights	comments	activity/tone	or behavior	
Steps in the consumer decision journey	Consider	Brand monitoring	Crisis management	Referrals and recommendations	Brand content awareness
	Evaluate				Product launches
	Buy				Targeted deals, offers
	Experience		Customer service	Fostering communities	Customer input
	Advocate			Brand advocacy	
	Bond				

The need to be AUTHENTIC becomes a must in our conversation with a questioning and empowered consumer



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Informed

Self-reliant

Vocal

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Strategy

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Be Close to the Customer



Operational Excellence

Product Leadership

The challenges



At industrial companies, there is no substitute for senior managers' personal sense of the market.

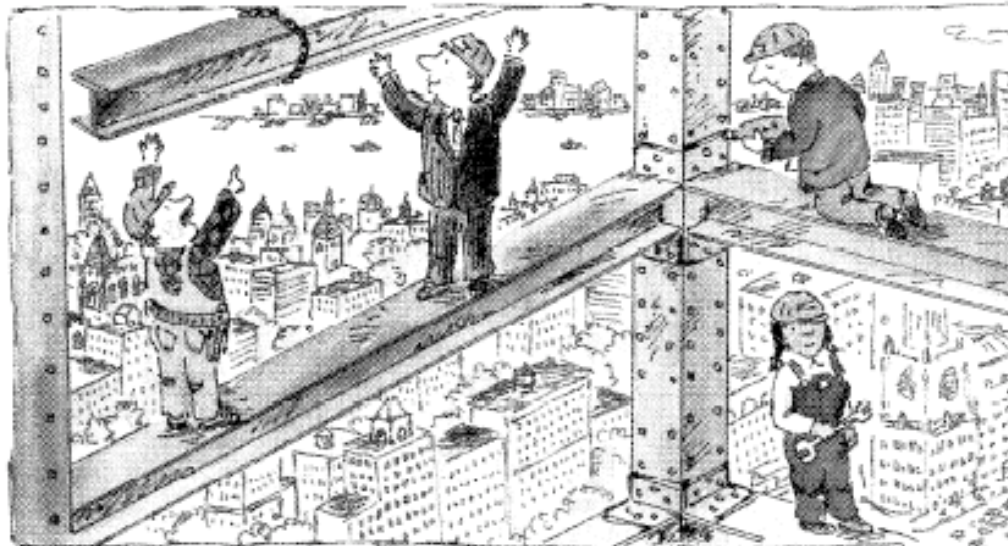
Spend a Day in the Life of Your Customers

by Francis J. Gouillart and Frederick D. Sturdivant

Every successful business is built on superior senses—of timing, opportunity, responsibility, and, not infrequently, humor. None, however, is more critical than the ability to sense the market. A senior executive's instinctive capacity to empathize with and gain insights from customers is the single most important skill he or she can use to direct technologies, product and service offerings, communications programs, indeed, all elements of a

company's strategic posture. Bill Gates, Akio Morita, Sam Walton, and others brought this ability to the enterprises they founded. Without it, their ventures might have been short-lived or at least far less successful.

Paying attention to the customer is certainly not a new idea. But many top-level managers, particularly those at industrial companies, consider customer contact the bailiwick of sales and market-



THANK
You!