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INNOVATIONS FROM THE CONVERGENCE OF
BUSINESS, MARKETING AND CREATIVE STRATEGIES
WITH LEADING TECHNOLOGY

Convergence

The Technology Platform for Dynamic, Integrated Marketing

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CONVERGENCE

THE TECHNOLOGY PLATFORM FOR DYNAMIC, INTEGRATED MARKETING

Technological communications convergence—the merging together of information technologies, networks and devices—sounds perhaps like some ominous science fiction concept from the future, but it’s all around us right now.

MEDIA CONVERGENCE CREATES OPPORTUNITY

Convergence is happening right on your smartphone, iPad and laptop, which allows you to take and place calls, surf the Web, find your location on the planet, play music, receive radio broadcasts, send text messages and take, store and send photos and videos, and much more to come. Convergence is happening when you pick up your VoIP (Voice-Over-Internet Protocol) telephone receiver and make a call to your Hong Kong sales associate via Internet instead of on a separate phone line. Most computer networks and the Internet already allow many different devices and operating systems to communicate smoothly with each other by using a variety of intelligent protocols.

Convergence is sneaky. It applies an inevitable pressure that numbs its observers. The sneaky aspect is brought about by its slow and constant pressure that creates the numbness in its students. As practitioners within the areas and/or industries in which convergence is running unbridled, the reactions of leaders must be matched to lag just behind what our mentors taught us was the cutting edge. This sweet spot is midway into early adoption, as depicted by the Technology Adoption Life Cycle curve developed by Geoffrey A. Moore.

TECHNOLOGY ADOPTION LIFE CYCLE

Geoffrey A. Moore, in his book, *Crossing the Chasm*, describes the Technology Adoption Life Cycle (TALC), which applies to discontinuous innovations such as electronic commerce on the Internet. This innovation is discontinuous because it represents an entirely new way of completing commercial transactions in the marketplace.

The TALC is represented graphically as five segments on a bell curve. The [segments](#) unfold from left to right with the risk-taking innovators on the far left while the risk-averse laggards fall on the far right. In between are the early adopters, early majority and the late majority.

One aid in observing, monitoring and projecting the timing and trends of technology adoption is the Gartner Hype Cycle concept, a graphic representation of the maturity, adoption and business application of specific technologies developed by Gartner, Inc., a leading information technology research and advisory firm.

Gartner Hype Cycle

“Hype” is used to characterize the over-enthusiasm and subsequent disappointment that typically happens with the introduction of new technologies.

Hype Cycles show how and when technologies move beyond the hype (Peak of Inflated Expectations), begin to offer tangible practical benefits and, eventually, become widely accepted. Hype Cycles reflect the scenario we've seen before in technology development and adoption. Something gets hot (media exposure, etc.) before it actually matures, and people become disenchanted with it when it doesn't live up to their inflated expectations. Eventually, the technology is reconsidered (Slope of Enlightenment) and, finally, it is applied in a meaningful way and broadly adopted.

In short, the Technology Adoption Life Cycle curve shows us how technology adoption evolves. The Gartner Hype Cycle adds another dimension to technology life cycle models by attempting to show us why adoption occurs.

If we were to overlay a typical Hype Cycle graph on the Technology Adoption curve, the sweet spot for adoption occurs during the Slope of Enlightenment.

TECHNOLOGY ADOPTION / HYPE CYCLE

As leaders, we must steward our organization's adoption of new capability profitably. The challenge in matters of convergence comes from many seemingly inconsequential and disconnected progressions that will converge on an industry and accelerate to hyper speeds, not only in reference to capability, but also need, as well as acceptance. We can be pacing along with our techniques to time our entry and, all of a sudden, from the last time we looked, the progression goes from a steady 25mph to 100mph.

What's really mind-blowing is that this is only the beginning. I am not exaggerating in the least when I say that, for marketers, convergence over the next few years will have more impact on the way we do business than the invention of the printing press, radio and television combined.

The whole universe of business will be profoundly impacted. Each industry will be challenged to enable these new and emerging capabilities to reshape not only tactics, but the fundamental strategies that have governed their success for decades. This is especially true in our arena of [marketing communications](#). Those that are the effective adopters, who integrate convergence technology into their core processes, will clearly be the market winners of the 21st century. Those who merely deploy new technology to support status quo best practices will be left wondering what hit them.

It's human nature to innovate, but it's also human nature to stay with what has worked in the past. The urgency is because conditions have *already* shifted, most of us just aren't entirely aware of this. We know things aren't like they used to be. We know the old strategies aren't delivering as they once did. Because what we are looking at is unrecognizable from our past experience, it can be challenging to truly get our bearings.

We are standing at the threshold of an entirely new marketing ecology, a landscape transformed by the seamless and explosive merging of computing, databased information, accessible broadband wireless and ubiquitous [communication](#) network devices. Evolution teaches us that when the conditions change, there are only two options: Adapt, or become a fossil.



The exploding pace of technological communication convergence is accelerating.

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LOOKING BACK, LOOKING FORWARD

To gain some perspective on what our horizon actually looks like now, consider the changes we've seen in the last couple of decades. And understand that these changes are not the big show itself. They are merely the prelude, the preliminary foundation for the convergence that is emerging now.

Take email, for example. What business *doesn't* use email today? It would be absurd, unthinkable primitive to operate without it. We take it completely for granted, yet email only became commercially available in 1993 when America Online and Delphi came online. At that time, there were only a few *hundred* websites! I remember. I was one of AOL's first accounts.

Next came email attachments, and what a revolution that was! Suddenly, we didn't have to walk to a fax machine to send a document or call a courier to deliver art to a client or supplier. It was all accomplished with a few simple keystrokes. How did that impact productivity? It put it through the roof. What about client communications and customer intimacy? Suddenly, we could share ideas and reports and any other relevant information via email and a telephone call. It was incredible.

Does anybody remember beepers? Those little black boxes that told you when someone was trying to get ahold of you, and even what their number was? Wow, those sure were efficient ways of getting in touch with people back in the day. Seems like a lifetime ago, doesn't it? Most of us were carrying beepers just a couple decades back and feeling pretty advanced about ourselves.

That is, until a little device called a cell phone came into vogue. Is anybody really questioning whether cell phones will catch on? Of course not, that would

be ludicrous. Cell phones are a fact of life. Then why question the bigger picture of convergence, which is where it is all heading?

These are not changes that have happened across generations. These are changes we have seen since most of us began our careers.

Clearly, telecommunications have changed dramatically just within recent memory. That's not the only point of interface between technology and business that has been radically altered. Think about how fast data storage has grown.

Anybody out there own an iPod or other MP3 player? Of course, who doesn't? Even the entry-level models come with more gigabytes than a mainframe had just a few years ago. You can easily get the equivalent of a trunk full of CDs and DVDs, and you've got it literally in the palm of your hand.

But let's think a moment about this nifty device. Does it just make your music more compact and lighter to haul around? No, it's actually a *behavior changer*. Not only can you fit more into far less space, you can *access* it much more easily. Every song is just a fingertip touch away. Let's say you listen to U2 on a regular basis and it's on a favorite list. One morning, on the drive to work, U2 gives way to Led Zeppelin in your heart of hearts, which you haven't listened to in months. You just do a search by artist, and *click* you've got it.

Now, go back to life before your MP3 player or iPod, to that trunk full of CDs. The first thing you'd have to do if you wanted a different album is pull the car off the road. Can you imagine—you'd actually have to stop driving? Then, you would have to get out and walk around to the trunk and start digging. Probably after a couple minutes of this, you'd just say, "Nevermind, I need to get to my appointment on time." Or we would not

attempt the activity of changing the CD in the first place. We would dismiss the idea as not practical or not worth it. (Remember this “nevermind,” “not practical,” “not worth it.” All of it is based on our past experiences that relied on the learned practicalities of a past paradigm.)

Now, extend this analogy to corporate databases, which have mutated in size and accessibility right along with consumer devices. Suddenly, you’ve got multitrillion terabyte [databases](#) capable of retaining every single customer sigh, whisper and suggestion of interest, not to mention actual purchase history. Just as important, you now have the tools to efficiently access and act on that information.

Remember that “nevermind” that came up when it was time to try to dig through all those discs in your trunk? Well, it’s no longer relevant. Systems can now deliver up accurate, actionable database groupings in a manner that is so timely, affordable and effective as to render all objections obsolete.

All this has happened within the span of my teenagers being teens. Is it that I’m an old man looking back on a glorious 100-plus-year career? Not exactly, I’ve been at it for about 25 years. It just so happens that these couple of decades most of us have shared in the business are the ramp up to the greatest acceleration in technology the human species has ever seen. In technological terms, time has sped up. That means we have to keep up to remain relevant, profitable and leaders in our professions.

THE GEEKS HAVE MOVED ON

Technological capability advancements are no longer limited to any one sector of society, such as military or industrial, entertainment or energy, personal or organizational. The transformation is 360 degrees. Take

a close look at any aspect of business and society and you will see dramatic change.

We’ve glanced briefly at the explosive advancement in communications and data storage and management that we ourselves have witnessed. Now, let’s give a moment to interactivity.

In 1993, when AOL came online, there were approximately a few hundred websites active worldwide. Now that number is in the hundreds of millions. That’s a lot of information and misinformation and everything in between. Again, it’s not just about the numbers. The real impact is in the way *behaviors* have changed.

In the fall of 2001, the dot-com bubble burst and people began rethinking the Internet. This gave rise to the notion of Web 2.0. Whereas the first generation of Web entities were static and supported one-way communications, the new Web 2.0 generation would be two-way, interactive and dialogic. Blogs, wikis, MySpace and Facebook were all aspects of the new interactivity.

Remember your organization’s first website? It was probably more of a billboard or online brochure than anything else. Now, just a few years later, that would be considered an antique. No longer do we go online just to read.

Now, we log on to talk back to, upload and download, to visit and to purchase and borrow and lend, to buy and sell. Does it take a technology expert to make money on eBay or bank online? Hardly. Any American consumer can pretty much pull it off. So, where are the geeks? That’s the question you want to ask yourself. Where are the technophiles and true early adopters?

When you locate them, you’ve identified the new leading edge. The geeks have moved on. Sure, they

bank online, but that's hardly where their passion lies. The geeks today, the best and the brightest, are on fire with the vision of making the offspring of convergence as common and accessible as Web 2.0.

When did all this happen? When were all these incredible changes not just invented, but rolled out, refined and woven into the fabric of our daily lives to such a degree that we don't even give them a second thought? Probably while we were all busy hashing out that one [brand positioning](#) to transcend all others.

WE AIN'T SEEN NOTHIN' YET

Here's the power of convergence in action. At our agency, we invested days planning a photo shoot for a client—a high-tech university. We had a full day's work ahead of us with seven sets in nine hours. The first shot was supposed to feature actual students in their dorm watching a 3-D movie and wearing 3-D glasses. We had a full shooting team on hand, including a photographer, art director, lighting and grip, the kind of crew it takes to pull off seven sets in a day and walk away with 30 publishable key images.

We arrive for that first shot and only one student has bothered to make an appearance. The dorm masters who'd helped our staff organize swore that 30 kids had confirmed and they would be there. Kids these days! But, here we were, wasting the client's time and money and no one had shown up for the party. We were at risk of not only losing this shot, but throwing off our schedule for the entire day. Not a good scene.

Here comes the wonder of convergence. That one student who did show up says, "hold on a minute,"

pulls out his phone and sends off a text. In less than 10 minutes, we've got a room filled with students, who are the perfect diversity mix and motivated by self-selection and their peers. In an instant, we're back on track.

How did we pull that off? By delivering the right message, at the right time, in the right way, to the right people. For example, if we had sent the dorm master out to sweep up some students for the shoot, those kids would have run in the opposite direction. The message had to come from a fellow student.

And it had to be a text—delivered directly to where the students were at that time, and effortlessly forwardable to friends. If texting were not available, we could never have pulled it off. Sure, this student might have sprinted to his computer in his room and sent out an email, but who's to say how many of his peers would have been in front of their screens at that time.

And, clearly the message we used was the right one. The best copywriter in the world couldn't have gotten it better.

This experience really hits home and demonstrates how far we have come. Convergence has been like a snowball gathering speed and mass as it travels downhill. It began in the late 1920s with the inception of AT&T (American Telephone and Telegraph) and has come to dominate the cultural and business landscape in the first decade of the 21st century.

This convergence of [communication](#) technologies and the resulting access also gives us the new, real-time analytical tools and capability to effectively utilize those new channels and new devices to target specific, highly relevant messaging with prospects and customers.

Convergence is the force that's driving the explosion of communication channels, output devices, and software/programming capabilities years.

In addition, the new technology and resulting new methodology allows a smart marketer to create the personalized connection points and pathways into our brands, which answer the consumer's first and foremost question when considering a brand: "Is this product or service right for me?"

Let's consider, for a moment, the proliferation of video and audio media content over the last 20 years and then compare that to the last 10-year time span.

FROM BLOCKBUSTER TO BUST

The first Blockbuster store opened in Dallas, Texas, on October 26, 1985. Brilliant idea! You could affordably rent movies on videotape and watch them at home. No wonder it caught on. Stores started opening around the country on a daily basis. The company became a multibillion dollar company and was sold to Viacom for a hefty price of \$8.4 billion.

But, by the turn of the new century, Blockbuster was losing money in billion dollar increments. What happened? Technology happened. Cable movie channels happened. Bandwidth happened. Netflix happened. Digital downloads happened. Today, its market value and brand is floundering.

This kind of market-rocking progression has happened before, but this time it is happening at warp speed. It will have the same exponential impact as it did the first time it occurred in the 1950s, when television grew out of the convergence of movies and radio. Except this time it's faster, much faster.

Convergence is going on all around us every day, and the pace is clearly accelerating. Communications, information and entertainment media and channels are morphing and merging on a daily basis to adapt to the furious advances and newfound accountability in

technology. Eventually—but not far off in the future—this will lead to a fusion of all channels and media into some single, but as yet unknown medium, which you will connect to wirelessly, of course.

This convergence of technology provides individuals with a wide variety of convenient ways to communicate—email, telephone, texting, social networking, online, offline as well as on-site and off-site interactions. As individual prospects and customers select the **communication** styles and platforms they prefer, we, as marketers, have to be able to instantly and relevantly personalize our communications, as well as adjust the placement and timing to the consumer's new preferences and communication points, according to their choices.

MORE DISRUPTION IN THE FORECAST

A 2010 white paper from IBM titled, "Building a Smarter Planet," speaks directly to the dramatic changes we see around us that we must respond to as marketers.

"There's a growing torrent of information from billions of individuals using social media. They are customers, citizens, students and patients. They are telling us what they think, what they like and want, and what they're witnessing, in **real-time**. Trillions of digital devices connected through the Internet are producing a vast ocean of data. And all of that information—from the flow of markets to the pulse of societies—can be turned into knowledge because we now have the computational power and advanced analytics to make sense of it all. That's a lot of **data**, but data by itself isn't useful. In fact, it can be overwhelming, unless you can extract value from it. And now we can. Everywhere, forward-thinking leaders are achieving near-term ROI. But they are also discovering something deeper. They are finding the hidden treasures buried in their data.

We can take the measure of the world's information and actually begin to predict and react to changes in our systems in realtime.”

Clearly, this opens up huge opportunities for businesses and, at the same time, presents huge challenges, in terms of the fundamental framework and models of doing business.

This business challenge will be further complicated based on the re-convergence of media while our hardware devices diverge and converge randomly per consumer. Some users will continue to use, for instance, both a smartphone and a computer, depending upon their physical location and personal lifestyle preferences. We, as marketers, have to be able to respond to those situations to ensure that our messages get through no matter what channel or platform an individual may prefer. That's why experts call this communications convergence a “disruptive” innovation, meaning that it changes a product or service in ways that the experts in the market do not expect or cannot predict—a tectonic shift that disrupts the product and marketing landscape.

Going forward, more and more marketing conversations will take place electronically, but will be powered dynamically. Not only will convergence continue its hypersonic pace, but more and more people will become hooked on using electronic devices as generations mature, offering even more opportunities for connecting with them.

Consider a toddler who walks into the den and sees a Kindle lying next to her father's chair. She walks up to it, points, and says: “Daddy's book.” To her, that's what a book is. She may also call printed books “books” as well, but she'll never have to get used to the new concept of an electronic reader—it's already part of her

reality. It's just there, and always has been. If you think today's teens and twenty-somethings are permanently tethered to their electronic devices, just wait until this toddler's generation enters high school.

With technology allowing nearly 24-hour media access as children and teens go about their daily lives, the amount of time young people spend with entertainment media has risen dramatically, according to a study released in 2010 by the Kaiser Family Foundation. As of 2010, 8-18-year-olds devote an average of seven hours and 38 minutes to using entertainment media across a typical day (more than 53 hours a week). They spend so much of that time media multitasking (using more than one medium at a time), they actually pack a total of 10 hours and 45 minutes of media content into those seven-and-a-half hours. The significance? The amount of time spent with media increased by one hour and 17 minutes per day over five years, from six hours and 21 minutes in 2004 to seven hours and 38 minutes today.

Due to media multitasking, the total amount of media content consumed during that period has increased from eight hours and 33 minutes in 2004 to 10 hours and 45 minutes in 2010. This is not evolution. This is exponential and game changing if you are a marketer.

THE CASE FOR CONVERGENCE AS A CATALYST

In the future, everyone from children to the elderly will be thoroughly connected—everywhere, all the time. And because of convergence, every platform, channel and operating system will integrate seamlessly. From an MRM (Marketing Resource Management) perspective, those of us with the right technology and methodology, the time is already here. We can do it now effectively with an ROI that can take major market share away from competitors who do not possess similar capabilities.

In marketing and business, convergence is key for a number of reasons. First, marketers have learned that they must put the customer at the center of their universe. In this **customer-centric** universe, marketers must respond to the customer's preferences in communication, and every communication must be relevant to the individual recipient—in timing, place and message. Second, convergence nurtures business growth by creating economic synergies that reduce the cost of communicating and convergence creates new value models. A simple old school/new school example: Rather than placing an expensive newspaper ad to reach target audiences, marketers can send an online communication at a much lower incremental cost.

Convergent devices and content *now* can also integrate with customer relationship management applications to communicate more effectively and efficiently, while at the same time gathering, storing and analyzing huge amounts of data about individuals, their preferences and their detailed interactions with a company. We can use the large amounts of collected data *now* in real-time, without the traditional hassles of acquisition, mining, cleaning and purposing, to help ensure that every customer and prospect communication is highly personalized and relevant to the recipient. This not only adds relevant impact and ROI to every **marketing communication**, it also has a positive effect on customer relations.

Call centers have been so impacted by convergence, we call them “Contact Centers.” Through the rise of the Internet and its transition to mobile devices, social networks and increasing globalization, Contact Centers must now deploy capabilities across many channels and platforms—not just phone calls. In fact, there has been a tremendous shift in doing business from phone calls to the Internet. Nearly 80% of all retail brokerage trades are now made online. This expansion of capabilities may contribute to the outsourcing of U.S. contact center

functions to foreign countries—you can't hear a foreign accent in an email.

Advancing computer capabilities and networks are also allowing us to converge the information systems in businesses. Instead of **marketing**, operations, customer service and accounting all operating independently and often on different and incompatible platforms, we can now *link* all these functions together to share and benefit from the continuous flow of real-time data and communications. The marketing department can immediately know when a customer makes a purchase and can automatically generate a follow-up communication for customer service and add-on sales.

Customer service has, for years, had a complete and real-time current record of a customer's activity on everything from initial purchase to billing and payment patterns. Now, with convergence, we can deploy it seamlessly to the frontlines of our marketing battles. Convergence is much more than just the evolutionary development of technology. It is a force that alters the relationships and playing field for businesses, consumers, media and the marketplace. It changes how information and entertainment are provided to consumers and businesses and how the recipients process and utilize that information. Because of the rapid explosion of new media channels and platforms, we are now living in a world where media literally surrounds us every day. Technological convergence has already created a converged culture.

THE CONVERGED CULTURE

As a result of technology and communication convergence, we are also seeing a convergence of the governmental and regulatory bodies that control and monitor the networks and devices. As the walls between what were once completely separate services come tumbling down in convergence—data, video, voice—

regulators are challenged to redefine their overview and market perceptions.

Ray Kurzweil, author of *The Singularity is Near: When Humans Transcend Biology*, and other futurist thinkers have popularized the concept, similar to and growing out of technological and communication convergence, called “singularity,” which they see coming in our near future.

Singularity is when a self-improving artificial intelligence develops beyond the capability of human intelligence—when the machines know more than we do. On the leading edge of [marketing technology](#) and methodology, we’ve already reached a singularity of sorts. Machines can not only know and retain more information about a customer than a live salesperson ever could, the system can use that information to automatically generate a unique, transparently personalized, relevant communication for that customer and deliver it to them on any communication platform they use in real-time, from the mailbox to the iPhone.

Because of convergence, advertisers, advertising professionals and media content suppliers must completely rethink the traditional way of doing business. Customers and prospects demand a personally relevant, interactive relationship where they can be involved in the creation and modification of messaging, not one in which they simply receive information. We must also converge the traditional methodologies we have employed for creating marketing messages. To hold the interest of customers and prospects in our new tech world, we must change the way we talk to them. Not only do we have to provide a dialogue, but we must also incorporate elements of both branding and direct response in our messaging, which, in the past, had always been kept separate.

The simple theme that links all of these disparate areas together, which must be coordinated to deploy [Neuromarketology™](#), is that **marketing is no longer about publishing to your customers and prospects. It is about creating a dialogue with them** that works on *their* specific terms.

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