

Collaborative Marketing

In "Collaborative Marketing" Rich Rexeisen discusses collaborative marketing efforts. Despite being counter to the competitive nature of most markets, Rexeisen believes that all parties involved in collaborative marketing can benefit. The author shows us that we can analyze the roles that various participants play in any transaction, and that we can find a point where all parties mutually benefit. By finding this point of mutual benefit, we can use collaborative marketing techniques to help all parties fulfill their interests. Rexeisen spends the majority of his article showing us how to best harness the power of collaborative marketing through four different strategies. "Together we can do more than any of us can do alone."

Abstract

In a society where individualism and competition are considered to be the hallmarks of a free market economy, it is not surprising that organizations are slow to recognize, and in many cases reluctant to implement, collaborative marketing strategies. Collaboration within this context refers to any marketing activity whose effect is to create synergies, leverage resources, or to address multiple problems with a single effort. This is not to suggest that cooperative strategies do not exist – quite the contrary – but their active development is at best sporadic and frequently unbalanced.

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Business Coordination

Business has undergone a revolutionary change over the last twenty five years. Advances in technology, heightened competition, scarcity of resources and harried lifestyles have all contributed to our contemporary mantra "do more with less!" Most organizations, as an initial effort to address these mounting pressures, turn their attention inward and focus on achieving greater efficiency within their internal operations. Cross-functional coordination, flat organizations, inventory control – the elimination of needless redundancy whenever and wherever possible all characterize the early stages of business-systems integration.

The last decade saw cooperation expand beyond the borders of the traditional organization to include strategic partnering and relationship marketing. Strategic partnering builds on the fundamental principle that it is everyone's responsibility within a given supply chain to actively contribute value to the end consumer. If something is not adding value, it should either be eliminated or have its cost reduced until it is adding value. Relationship marketing builds on the principle that it is easier to keep a customer than acquire a new one. This area of marketing is still in its formative stages with companies just beginning to explore how to form and sustain strategic partnerships with their customers.



While there is yet much for us to explore within the domain of building and managing our borderless organizations, our efforts up to this point continue to reflect a worldview based primarily on an adversarial or competitive business model. If nothing else, our current efforts reflect an excessive focus on self-interest. In other words, what's in it for me? Although organizations have begun to recognize the necessity for cooperation in a borderless environment (and necessity is, as they say, the mother of all invention) these same organizations have been loath to consider how their customers might independently benefit from similar collaborative strategies. I tend to view this as a form of benign neglect, perhaps even ignorance, as opposed to some kind of conspiracy to withhold privilege or power.

Consider the basics. Every exchange requires at least two parties. Everyone engaged in an exchange does so with the belief that they are deriving value from the transaction. Value, in this regard, simply being that the benefits outweigh the costs. As previously noted, collaboration has largely been addressed from the seller's perspective. But what about the needs of the customer? Surely consumers bring similar concerns and interests to the process of exchange.

Personal Coordination

As illustrated in Figure 1, collaborative marketing has implications for both the buyer and the seller. Just like an organization, every customer has a set of internal operations they must execute before, during and after each transaction. In the case of the consumer, internal operations are understood to be the cognitive, emotional and behavioral processes that a consumer engages in when acquiring or disposing of a good or service. For our immediate needs, I will only address the marketing implications that are related to the cognitive or decision-making characteristics of the consumer.

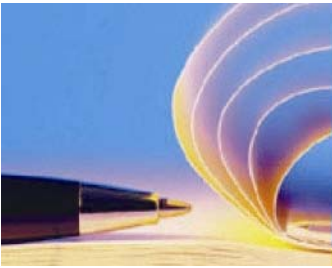
Figure 1
Collaborative Marketing

	Business	Personal
Internal Coordination	Systems Integration	Juggling Priorities
External Coordination	Strategic Partnerships	Role Set Compliance

From an external perspective, consumers often must consider the needs of their role set, or stakeholders, to whom and through whom any given exchange may also have an impact. For example, a student taking a class from a community college may be attempting to satisfy his or her personal needs for self-enrichment, meet the expectations of his or her family, as well as a future or current employer. In other words, just like an organization, individuals have multiple stakeholders upon whom they are dependent and to whom they feel some measure of responsibility.

Juggling Priorities

Most people are intimately familiar with the difficult task of juggling priorities. Consider the benefits that can result by showing your customers how they can simultaneously solve multiple problems with your products and services. The classic marketing assumption is that problem recognition occurs whenever a consumer sees a meaningful difference between their current



state-of-affairs and a more ideal or desirable state. From a competitive frame of mind, every product, every problem, is therefore competing for the consumer's most immediate attention. The excessive emphasis on competition contributes to the maelstrom of daily marketing messages that now bombard, and some say pollute, the environment of the typical consumer.

If it were the case that consumers were so distractible, they would never be able to accomplish anything in their lives. Admittedly we do see this kind of behavior in very young children. Nevertheless, as people grow and mature, they learn how to prioritize their needs. At least to some extent most people are aware that many of their needs are inter-related. For example, taking a class may not only result in obtaining a new skill but it may also be related to social rewards and economic gain. Buying certain foods may not only be healthy but also taste great.

The collaborative problem-solving strategy is very straightforward. You want to develop and/or illustrate how your products and services are related to a variety of current and future needs. For example, a community college may develop a program that the entire family can participate in or perhaps schedule several different activities that are targeted at different members of the family but that take place at the same time and location. Disney Corporation has been very successful at employing this strategy by developing and marketing family activities at their theme parks. In effect, you are helping the customer to accomplish multiple tasks with little additional effort. If a person cannot effectively juggle his or her priorities, he or she can easily feel overwhelmed, and a kind of exchange paralysis ensues whereby no one ends up being satisfied.

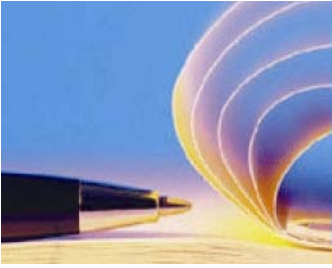
Role Set Compliance

Personal coordination also extends to balancing the conflicting needs that others often place on us for our time and attention. To take advantage of this opportunity, the marketing task is again relatively straightforward. First, you must identify who the principle members of the role set are for each consumer group. For example, for an adult the set might include a spouse, children (potentially multiple children with different needs), an employer, friends, from seeing his or her partner happier as an elderly parent, an instructor if they are taking a consequence of participating in the activity. Parents class, a church or an outside social group, etc.

The second step is to identify, at least in general the needs and expectations of others that might be related to the product or service that you are trying to sell. For example, once again using a community activity as an illustration, let us assume that a few of the outcomes of the activity are intellectual and/or skill development, self-satisfaction, and networking opportunities.

The task is to then to relate each of these outcomes, to the greatest extent possible, to the extended needs the role set. For example, a spouse might benefit from seeing his or her partner happier as a consequence of participating in the activity. Parents might feel good about the enhanced career prospects for their child. An employer benefits from the expanded skill set and personal network, etc.

Marketing of these multiple product/service benefits can take one of two forms. First, by communicating these additional benefits directly to the consumer, you are enhancing or leveraging the collective benefits that they can derive out of a given transaction. This is very



similar to the benefits derived out of simultaneously solving multiple of problems. It is unfortunate that the competitive mindset has in many cases clouded our appreciation of how we can be of service to many different people each time we engage a single consumer. The second major use of this technique is to communicate directly with the role set members. Since the role set may also have some of their needs satisfied through the consumption process of another person, they in effect have a vested interest in favorably influencing the consumer's behavior. At a minimum, but by no means trivial, the role set is less likely to actively engage in behavior that directly competes for the consumer's attention.

Summary

A competitive mindset, for all of its potential benefits, can also result in our failing to recognize opportunities for cooperation. Individualism, again for all of its benefits, can also result in our not asking for help when help is needed. Although some progress has been made in the business arena, first with respect to systems integration and next in the arena of strategic partnerships, very little if any progress has been made in trying to help consumers benefit from the same level of integration. Showing a consumer how they can solve multiple problems or simultaneously meet the needs of different people can be a tremendous benefit for consumers. As a consequence, both parties to the exchange will have learned how to do more with less, which hopefully will result in giving all of us more time to breathe and relax.

One of the most basic laws of nature is that all things are connected. If so, we are encouraged to identify viable synergies, creating opportunities for us to leverage our resources and thereby enabling us to simultaneously solve multiple problems. The difficulty, of course, is overcoming our current mindset and the tendency towards serving self-interest above all else. As beneficial as competition and individualism might be, so too are cooperation and community partnerships. In the final analysis, self-interest is always best served through our service to others.