

GS Insight

A publication of Gibbs & Soell, Inc., Public Relations

Volume 14, Issue 4

External Forces:

How Outside Influences Shape a Company's Marketing Messages

Recently, a representative from computer manufacturer Dell wrote a post titled “No Magic Wands for Customer Service” on the company’s customer service blog. The post addressed the public’s concerns over Dell’s customer service, or, in the eyes of many, lack thereof.

For months, Dell had been plagued with the perception that its customer service was too slow, unresponsive, or hard to reach. “The good news is that we know what we need to do. You’ve been telling us,” read the post. The writer then went on to defend the company, stating that Dell had poured hundreds of millions of dollars into customer service, and that the reason its service faltered in the first place was because, well, Dell is pretty popular, and a lot of people are using its products – too many for the company to handle.

It did not address many core complaints, which included difficulty in getting in touch with Dell, lack of knowledge on the part of customer service representatives, and, above all, the language barriers created by Dell’s outsourcing of its call center to other countries.

Unfortunately, customers were unimpressed. “Dell is killing its own brand!” wrote one person. “I want to pull my hair out – slowly – one by one. Make me want to buy another Dell, please!” roared another.

Dell’s statement “You’ve been telling us” implies that the company was listening to its customers’ complaints, but the messages that Dell was delivering in its external communications were not the ones that these customers wanted to hear. Instead, they were what Dell thought they wanted to hear. As a result, Dell lost much of its audience, many of which could no longer truly be considered customers. Instead, they were now prospects who had to be sold all over again.

Like Dell, many marketers fail to consider outside forces when developing their marketing plans. Yet external issues, including social and economic factors, play a vital role in whether or not a product or service will succeed.

While many companies rely on customer surveys to shape their marketing programs, those should only be considered one piece of a fairly complex puzzle. The marketplace exists beyond the customer or prospect; it is a constantly swirling vortex that includes political, economical, social and technological factors – also known as PEST.

Marketing Can Be a PEST – But That’s Good

PEST analysis is a framework used by many organizations to better understand how external factors may impact the launch of a new product or service. The PEST analysis consists of examining four different areas of influence:

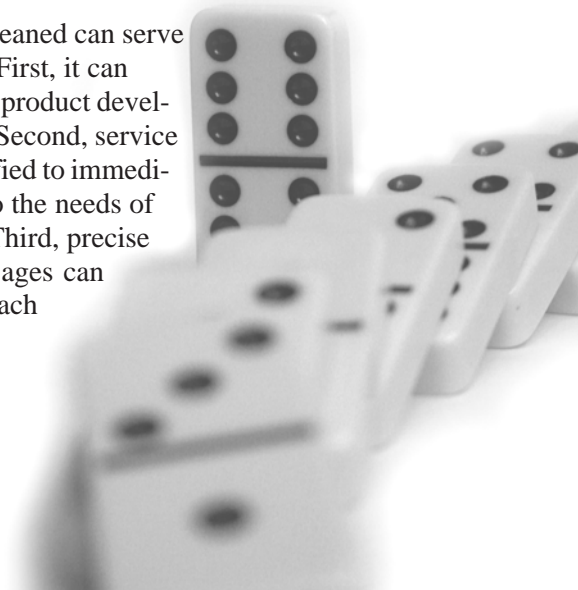
Political: What types of policies are currently in play that could effect the way a product is brought to market and promoted (for example, Federal Drug Administration regulations; parameters developed by the Office of Fair Trading in the U.K.; etc.)?

Economic: What is the economic outlook for a particular area?

Social: What will be the latest fashions and trends? What are the ethnic and religious factors?

Technological: Given past experience, what is the expected rate of adoption for a particular new technology? Who will be the first adopters?

The information gleaned can serve several purposes. First, it can directly impact the product development lifecycle. Second, service levels can be modified to immediately correspond to the needs of the marketplace. Third, precise and effective messages can be developed for each audience.





Most important, the combined analysis can help companies identify and truly understand their customers' needs, thus avoiding the "customer-turned-prospect" syndrome Dell suffered.


The PEST analysis should precede message development for individual audiences, ensuring that each component of the marketplace is spoken to directly. As a result, each marketing vehicle – PR, advertising, direct mail, and others – will contain positioning that not only articulates the organization's umbrella message, but also communicates specific messages directly to target audiences. Ideally, these will all be crafted with the consideration of external market forces.

Acting and Adapting

Even the most sophisticated market research cannot always accurately predict your customers' buying and usage habits. As such, marketers must be prepared to act quickly and adapt to the customer influence.

In 1993, a product called Zoomer entered the market. It was to serve as a smaller version of the desktop computer. Each Zoomer cost about \$700 and, although meant to be a handheld device, was fairly big and bulky. Even though it was feature-rich, its cost and size prohibited it from becoming the next-generation product that its manufacturer designed it to be – until people started using it not as a replacement to their PCs, but as an accessory.

One year later, the organization began eliminating many of the "bells and whistles" from its next-generation model to focus on calendars, task lists, and other day-to-day features. In turn, the company's marketers revisited their strategy, promoting the product as a complement to PCs.

The product was the Palm Pilot. The result was history. 

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G&S Celebrates 35 Years!

Back in 1971, when Dick Gibbs & Dick Soell started their own PR agency in a small apartment on East 82nd St. in New York, even their wildest ambitions couldn't have predicted Gibbs & Soell would grow to be consistently ranked among the nation's top 10 independent PR firms.

What they knew was that the key to their success would be in maintaining a strong commitment to client service. I'm proud to say, this core philosophy remains steadfast throughout the organization 35 years later.

From humble beginnings as a handful of dedicated people driven to succeed in the growing world of agribusiness PR, G&S now boasts more than 100 employees in five offices worldwide focusing their expertise on several key industry sectors, including agriculture & food, building products, consumer lifestyle, financial services, healthcare, industrial, and technology.

Today, with corporate headquarters still in New York and additional offices in Chicago, Raleigh, San Francisco and Zurich, G&S is uniquely positioned to provide the perfect balance between big-agency strategic thinking and small-agency personal attention. The agency's culture fosters a climate that encourages teamwork, innovation, initiative, creativity, quality, strategic thinking and diligence. For clients, that means delivering unmatched counsel, service and results.

To all our clients – past and present – thank you for making G&S your trusted business partner and for joining us on this exciting journey. We are proud of our past and know the best is yet to come!

Sincerely,

Cos Mallozzi
President & CEO
Gibbs & Soell, Inc.



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Your business
is our **passion.**