

Selected readings on Business Modeling. Mobile marketing & trends, part 1

(English and Dutch)

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All sources mentioned

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Introduction

Over the last couple of months, I have had the pleasure of reading about issues concerning Mobile Business Design. I did so to prepare for the minor MBD, to educate myself on mobile issues and to be able to share knowledge and insights with those who are interested in the subject as well.

The offer of writings on the domain of mobile communication is sheer inexhaustible so careful selection is necessary. The selected articles are not scientific papers. They originate from the Internet and reflect the authors' personal opinions, ideas and beliefs. I have taken the articles unabbreviated and added the sources. I have not commented on them. I would like to leave that to you.

You may question why I have chosen to mold the articles in a paper medium and not publish them in a blog, forum or other digital fashion. The answer is that I like books on my pedestal, right next to my bed just in case I feel like reading a bit before closing my eyes for the night.

A note to the participants of MBD: This reading is a must. And to all: Enjoy.

Kees Winkel
Amsterdam, summer 2010

1. Playing for real: The games industry and social CRM business models

Source: <http://www.mycustomer.com/topic/social-crm/playing-real-games-industry-and-social-crm-business-models>, visited 17/8/2009, 12.00 PM

Posted by Paul Greenberg in [Social CRM](#) on Mon, 17/08/2009 - 06:01

- The social customer has a new set of requirements when dealing with companies
- Collaboration and cooperation can offer real business value
- How gaming goes beyond the social CRM buzz
- Creating customer loyalty and advocates - and profits



CRM expert and self-confessed avid gamer Paul Greenberg explains the growth of co-creation in the world of gaming and how this offers a prototype for a successful social CRM business model.

I'm a gamer. I can't say that I have any dexterity or any mad skills when it comes to using videogames like Grand Theft Auto or Halo, or for any sports game that involves hand/eye coordination with a controller. But I do love to play (against the computer of course) games like Civilization IV, The Sims 3 or even Spore, because they challenge my strategic thinking. But even more than that, I like the latter three not because they let me customise the colour of my football jersey, but because they allow me to build a personalised version of the game that is to my liking.

Which is the key to a [social CRM](#) business model? Wha'? might be going through your minds right now. What in the world is Greenberg smoking? Or drinking? Bear with me for a second and I'll run it by you.

Social CRM business model: Co-creation, collaboration and customers

One thing that's been quite clear for a long time, and certainly been covered in

the pages of MyCustomer.com, has been how the social customer has a new set of requirements when it comes to how they want to deal with the companies they care to deal with. They begin from a standpoint of "I trust my peers, not the companies I keep buying from." [The Edelman Trust Barometer](#), the trusted source on who the trusted sources are, found as far back as 2003 that only 22% of their respondents saw peer trust as the most important. But one year later, "someone like me" became the most trusted group for 51% and it's never looked back.

That creates a conundrum for most companies because they have to win the trust of customers who are expecting them to behave very much like the peers that are already trusted. To do that, companies have to be different than they had been in the past. For example, rather than produce goods and services, they have to be the aggregators for goods, services, tools and experiences that add up to what the customer needs available to them to personalise the environment of the company they want to potentially work with.

But this creates a foundation for a different kind of business model, too. In the necessary contemporary model, the company acknowledges this customer transformation. What that means is that they have to be increasingly collaborative because the customer's expectation is that they are going to get whatever it is they want to get from their relationship with the company – which could mean anything from a rewards system for their involvement in some level of the company, to a toolset

which allows them to customise their interactions with the company. The benefit to the company of this level of collaboration and cooperation can often be real value. In fact, in the world of PC and video games, there is a direct monetary return – but even more so, a level of loyalty and perhaps even advocacy which, in turn, will drive sales. Let's see how that works in the world of games.

It's a mod, mod, mod, mod, world

Back in 1996, a young hacker got the code to the [id Software](#) game DOOM and built a 'personal' version of the game to his liking. Rather than flipping out about 'intellectual property theft', the head of id Software, John Carmack, thought 'cool. That means that the kid will play a game that fits what he needs. I think I'll give everyone access to the code.'

While this might be a slight exaggeration, the concept of releasing software to the public – the game buyers – became something that was commonplace when it came to PC games. One of the most popular games of all time, [Civilization](#) (my personal favourite), saw an exponential leap in sales when Civilization II came out in 1996. The reason? It wasn't cooler graphics, though it had that. It wasn't just that creator Sid Meier listened to the fans' feedback and added more of the leaders, units and civilisations that they requested – though it was an early form of collaboration. The key? [PC Gamer Magazine](#) put it perfectly in their September 2009 issue: "The longest lasting innovation introduced into Civilization II was modding, fulfilling

the ambitions of many of those who wrote letters to Sid. Mods and maps kept the game alive for years."

A mod is simply a modification, the same thing that young hacker did to Doom. It is an effort to customise the game in ways that are engaging to the creators and acolytes of the modder (that's one who mods, not slang for a parent). What makes this important is not just that it's user generated content (which it is) and thus fulfills the appropriate Social CRM buzz category, but that it is content that actually:

1. Is valuable to the customer because it gives them the gaming experience that they want.
2. Is valuable to the company because the customer is buying the game, using the appropriate tools they need to modify the game and then sharing the experience with other modders in online gamer communities, threaded forums and other locations where gamers congregate.
3. Is valuable to the relationship between the game company and the customer, providing a mutual benefit that creates advocates from the customers and allows the game company to be as transparent as needed to the gamers, so that the gamers have what they need to make the game what they want it to be.

This is an incalculable benefit. It drives sales and creates legends in gaming. What that means is that the combination of cooperation and advocates in the particular game's universe drive sales.

Last year, [Electronic Arts](#) released Spore, their highly successful, somewhat of a pain in the... game, which runs one through an evolutionary cycle from amoeba to space traveller. In June 2008, prior to the game's September 2008 release, for \$10 you could get [Spore Creature Creator](#), an authoring tool, allowing the aspiring Spore gamers to create their creatures and place them into the community repository (and locally on their own PC) before the game's full environment was available.

The idea was to create buzz and drive sales interest prior to the end of 2008, making the September 2008 launch successful. The expectation was that the Spore gamers would create around one million creatures by end of 2008. Instead, by July 2008's end, one month after the Creature Creator was released, there were 1,970,195 created creatures from the community of 691,242 members. This was over 50 days before the release of the full game

While the game had its problems, it has been wildly successful. By June 2009, there were over 100 million creatures, which drove 3.2 million copies of the game sold. But it didn't stop with the game's initial success.

Roughly a month ago, Electronic Arts released an expansion pack called Spore: Galactic Adventure. Its purpose was to provide a tool not just to create creatures, but to create missions that were under your control. You designed the creatures, the landscapes, the buildings, the actions, etc. The tool's interface was simple to use and you could share the adventures with the Spore community. As of July 31 this

year, more than 100,000 missions have been created.

The key to this model has been what Sid Meier said drove Civilization's development: "We're giving the player enough things to think about, to anticipate, to plan, that they're drawn into the game and feel that they're in control."

Bringing it all home

The collaboration between the gamers and the games companies are a prototype for a social CRM business model. There is true co-creation – meaning an effort that is carried out between the customer and the company conjointly to add value to each and both. The company moves from merely producing products to aggregating products, services, tools and experiences that the customer can use to alter the interactions they have with the company in ways that are immensely appealing. This enhances the customer's commitment to the company - and the community that the company supports reinforces the customer. Advocates are the result. Profits are the benefit.

Over the next few months, I'll be exploring how and where value co-creation and cooperation are being accomplished. Watch for it because if you care enough about social CRM to read this column, you care enough about the model your company is going to have to adopt.

Now, go build a creature!

CRM expert Paul Greenberg is author of [CRM at the Speed of Light](#) (4th Edition,

October 2009) and president of [The 56 Group](#). He is also managing partner/CCO of [BPT Partners](#), executive vice president of the [National CRM Association](#) and co-chair of the [Rutgers CRM Research Center](#).

2. 10 steps for successful social media marketing strategies

Source: <http://www.mycustomer.com/topic/social-media-marketing-strategies-work>, visited 17/8/2009, 12.30 PM

Posted by Danny Meadows-Klue in [Marketing](#), [Social CRM](#) on Mon, 03/08/2009 - 07:00

- Advertising that's out of context or unwanted can be easily screened out
- The brand is only one guest among millions
- Most social media strategies don't deliver due to lack of frameworks
- Questions to ask when evaluating a social media strategy



Social media has become the must-have ingredient on every marketer's shopping list but most campaigns fail. Why? Online marketing expert Danny Meadows-Klue shares the 10 key steps for building social media marketing strategies that work.

It's tough being a marketer today: customers are on the move and connecting with them is far less straightforward than 10 years ago, when simply buying advertising space guaranteed awareness. Today, the customers are the ones in control - they're advertising-aware and media-literate; they know when they're being

sold to, and they tune into only what they want to listen to.

Shouting doesn't guarantee attention and advertising that's out of context or unwanted can be ever more easily screened out. They want to choose to take part in conversations and, if they like what they hear, then they'll engage. Who are these customers? All of us.

- **Screening out of messaging:** The web has accelerated a change in behaviour that was well underway before the explosion of digital media choice. Search engines, RSS readers, web browsers and email ensure the irrelevant is screened out; never seen. Only brands with the right strategy and the right message now get heard.
- **Social media raises the bar:** Blogs, online communities, social media and then social networks - they have permanently changed online marketing. In this new landscape, brands are in a constant dialogue with customers who increasingly

play critical roles in advocacy and recommendation. The brand is only one guest among millions and the challenge for marketers is that while the rewards may be great, the risks are greater.

- **Best practice social media marketing:** In spite of the newness of social media, there are clear techniques for best practice. As part of the [Social Media Academy](#), we analysed hundreds of campaigns (exploring both the successes and failures) looking for DNA that was shared between the successful and absent in those that failed. The clarity of patterns that emerged removes much of the mystery of social media and helps marketing teams quickly identify the specific risks and potential of the opportunities unfolding around them.
- **Strategy the key for effective social media:** The hype and excitement of social media in 2009 has seen many brands jumping into social spaces before there is a clear framework for how the social media activity will grow the business, or how it will be sustained. Most social media strategies don't deliver: blogs go unread, expert reviews go unwritten, comment threads lie empty, forwarding to a friend never happens. Even more concerning is how easy it is for brands to expose themselves to significant risk by getting social media wrong – alienating or antagonising customers, or giving a small minority

the tools to damage a brand that does not deliver on its promise.

10 key steps for building social media marketing strategies

To help marketing teams get their strategies right for social media, we identified 10 steps in the process behind building effective strategies. Following these steps increases the efficiency of the work, including the value from agencies and operational marketing teams. It also helps avoid rushed decisions that may expose brands to risk.

Social media means much more than a simple application on Facebook or a feed in Twitter and to do it well, and consistently, takes resource and focus. That's why strategic thinking at the start can massively impact on a business further down the line:

1. Clarify the wider business strategy

Whether it's about raising brand preference, generating leads, reaching new customers or boosting sales, clarify clear goals for the business. Use this to set the framework for the starting point of where and how social media fits into the marketing plan.

2. Audit your existing activity

Work through the existing marketing activity (both online and offline), looking for processes, issues, brands, agencies and people who can play a role in the social media work. Auditing your competitors' activity in the same way will give you powerful insights into what else is happening in your market.

3. Build the social media strategy, setting specific goals

Develop the strategy by involving diverse stakeholders. Sense-check the

thinking and the concept on small samples of customers and groups external to the business to provide a balance to the company's ambitions. Think about what success would look like; build specific goals for the social media activity and find ways to measure against those goals from the outset. Select key performance indicators that will be used to assess the work.

4. Evaluate executional options Consider the different media properties, formats and choices for creating effective social media marketing. Develop the criteria for comparing the options and prioritising choices. Pay particular attention to the role of customers in the process and how to nurture authenticity.

5. Budget appropriately Create a clear budget with anticipated benefits outlined alongside the costs of the work. This helps justify investment in strong social media projects, and translate the returns into something clearer for stakeholders less experienced in digital marketing. It provides a simple snapshot of the trade-offs with investing in other digital projects, and helps teams identify weaker digital projects early on. Remember to allocate budgets for ongoing support as well as development or launch activities.

6. Create the rules and models for your social media

Whether it's creating platforms for consumers to talk together, giving content for brand fans to use, or building tools for embedding into social media home pages, there will be ways of working that need to be agreed and communicated. Here are a few examples of the operational models and

practices teams should consider putting in place:

- *Agreeing the people who will act as spokespersons for the brand.* Decide on the people, train them and practice.
- *Tone of voice guidelines for those brand spokespeople.* Develop an authentic style that is on-brand and consistent over time.
- *Comment policies, copyright policies and general policies for use of the service.* Create clarity on what's acceptable and how the spaces work.
- *Moderation.* Make the decision at the start about the type of moderation and spam policies that need to be in place.
- *Content development and publishing workflow models.* Develop workflow models that enable the social media activity to be sustained, particularly if it involves the brand generating content.

7. Ownership: the 'chief social media officer'

Create clear ownership and appoint one single person as the chief social media officer; a single decision-maker at the helm of the project with responsibility for leading a diverse group of internal stakeholders that can share their opinions and insights.

8. Engage stakeholders

Find an appropriate way of involving key internal stakeholders to ensure the best ideas from the most diverse of groups within the organisation can go into the process of building the social media strategy.

9. Beta test and the live pilot

Create a laboratory space to be able to run live tests for the processes and

interaction. Creating small scale, closed-group pilots can quickly identify challenges before they become problems. Pay particular attention to the qualitative experience consumers have of the brand.

10. Train the team

Throughout the process, use training as a way to build the quality of judgements teams are making. The stronger the team, the greater the chance for a social media strategy that will achieve a real breakthrough for the business and the smaller the chance of serious risk to the brand. Whether advanced digital marketers in an online agency or brand teams who have traditionally focused on classic channels, there's always much more to learn and skills that can be enhanced.

At the end of the process review the findings, the learnings and the feedback. Critically examine what worked and why, as well as where there were clear areas for improvement. Most businesses are still at the stage where social media marketing is relatively new to their brands and their structures, so set aside adequate time for processing the feedback, refining the strategy and building the right plan before launch.

If you are evaluating a social media strategy, here are 10 questions to ask yourself:

1. How many people can I reach?
2. How many are really target consumers?
3. What will their experience of your brand really be?
4. How will consumers use your brand assets and relationship?
5. How many people could become stronger fans and what will the consumer connections achieve?

6. What do the risks look like?
7. What is the risk profile for this activity; how to minimise the risks?
8. How could this be marketed?
9. What does success look like?
10. How do I maintain the presence?

[Danny Meadows-Klue](#) is the founder of [Digital Training Academy](#) and has been coaching online marketers for 15 years.

Saturday, November 05, 2005

3. What is a Business Model?

Source: <http://business-model-design.blogspot.com/2005/11/what-is-business-model.html>, visited 17/8/2009, 12.45 PM

Update: Business Model Innovation Book. We are currently writing a groundbreaking book on business model innovation (publication: June 2009). You can get special privileges and participate in the innovative business model of our book project on our [book chunk platform](#)

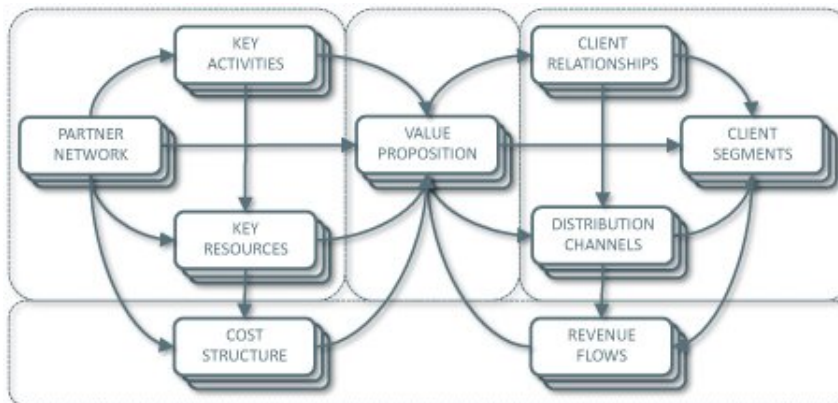
Update: Based on the overwhelming interest this post got, I updated the version from 2005

A business model is nothing else than a representation of how an organization makes (or intends to make) money. This can be nicely described through the 9 building blocks illustrated in the graphic below, which we call "business model canvas".

Insight: In addition to this post check out the [business model design template](#)

The business model topic is very popular among business people today because in various industries we can see a proliferation of new and innovative business models (i.e. new ways of

- Established companies have to find new and innovative business models to compete against growing competition and to fend off insurgents



making money). In several industries new business models are threatening or even replacing established companies and conventional ways of doing business. Just have a look at the music or airline industry.

Hence, the interest in business models comes from two opposing sides:

- Entrepreneurs want to find new and innovative business models to carve out their space in the marketplace
- Within this context the business model concept is a

particularly helpful unit of strategic analysis tailored to today's competitive business environment. It helps executives as well as entrepreneurs increase their capacity to manage continuous change and constantly adapt to rapidly changing business