

**Technology at Work**

**iPhone proves useful to top sales consultant**

With customers camping out in front of Apple® stores the night before its debut this summer, the iPhone™ may be one of the most hyped pieces of technology in recent memory. Like most new technologies, it is very sleek and touted by advocates as “revolutionary.” Its most unique feature is that users manipulate the touch screen directly with their fingers, not a stylus pen.

**Apple announced on Oct. 22, 2007, that it has sold almost 1.4 million iPhones since the device was released on June 29, 2007.**

Like other smart phones, you can use it to make and receive calls, watch movies, listen to music, browse the Internet, send and receive email and text messages and take pictures. It’s been described as being more like a portable computer than a phone. Such power combined with small size, heightens its attraction and utility to busy executives.

Jim Berg, a master service sales consultant at Meade Lexus dealership in Southfield, Mich., and a tech-savvy guy, got an iPhone because of the buzz surrounding it and because it complements his work activities and gives him an edge.

At the dealership, he is known for being up on the latest technology. Lexus selected him as its product expert of the Central Region to be in the new LS 460 training video and he has been on local as well as national television news demonstrating different Lexus features for auto show coverage.

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**P2R Biz Perspective**

**One successful company’s view on diversifying business**

*H.B. Stubbs Companies (HBSC), headquartered in Warren, Mich., has designed and produced exhibits and events for over 60 years. Led by Scott Stubbs, the family-run company founded by his grandfather was able to reduce its dependency on automotive business and diversify. Stubbs explains how the company successfully handled its growing pains and transformed itself to an international operation serving several high-growth industries in new ways.*

**What did business look like ten years ago?**

Ten years ago virtually 95 percent of our business was with automotive-related companies in Detroit, including Big Three OEMs and Tier 1 manufacturers. By the late 1990s, we decided if we wanted to continue to be successful we needed to diversify into a few high-growth industries. By 2002, we had about ten high-tech clients showing at the big Comdex event in Las Vegas, whereas the year before we were virtually unknown in that industry.

However, the economy changed very quickly nationally and “dot.com” went to “dot.bomb.” We decided to remain patient and committed to this new industry, although it was very painful. Many in the exhibit event industry went bankrupt or consolidated during that time. Ironically our strong automotive base is what carried us through the high-tech storm.

**How did the auto industry sustain you when it was taking a downward turn as well?**

We’ve been successful by focusing on efficient operations as well as creativity in design and production. We began helping customers



**Scott Stubbs, President & CEO**

measure and track their spending at shows in a very accommodating fashion. DaimlerChrysler is a good example. We had the initial opportunity to demonstrate that we could be efficient operating their regional auto shows. That was our foot in the door. After that they gave us the opportunity to bid on more business including the creative aspects of the program. We were able to do this well by collaborating with the client, their agency, as well as design and marketing staff. This helps us to better understand their branding, customers and interests in order to better position them in the marketplace. We devote significant creative brainpower long before we put pen to paper or hammered a nail into plywood.

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## Case Study

# Nucor Steel targets CEOs with successful ad campaign

*While plenty of evidence shows integrated communications provide the most reliable results, even a one-dimensional communications effort can be effective when the message is tightly focused.*

A few years ago, the largest steel manufacturer and recycler in the U.S., Nucor Steel of Charlotte, N.C., was known mainly for its large size and not much else. To combat that, Nucor launched a full-scale campaign that included media relations, internal communications and trade ads to differentiate itself from other steel producers. The key group being targeted? C-level executives – CEOs, CFOs and CIOs.

The sales managers within Nucor's product groups have found that whenever they had relationships at the C-

level with a prospective customer, it paved the way for making a sale.

They also found that customer influence flowed downhill. When CEOs viewed Nucor as more than just a commodity steel manufacturer, the word spread to purchasing agents and specifying engineers.

To target these high level executives, a series of ads were made specifically for the print and online editions of *BusinessWeek* and *The Wall Street Journal*. The ads stressed the company's overall values of being well-run, environmentally responsible and innovative not details on the quality of their steel. The campaign, named "It's Our Nature," explained how Nucor recycles and works to provide cleaner air, builds relationships with its workers through a no-

layoffs policy and pay-for-performance bonus system, and also maintains smaller factories that save space while increasing productivity.

The campaign was enormously successful. A McGraw-Hill study after its first year showed brand awareness for Nucor increased 85% with top leaders in its industry. In addition, a readership study showed one of its ads was ranked the No. 3 most-noted ad in *The Wall Street Journal* over more common brands such as Infiniti and Sprint. Since 2005, its stock price has nearly doubled and the company's success underscores a basic three-step communication approach that: identifies the problem; develops and executes a plan; then assesses the results.

*Some information in this article originally appeared in BtoB Magazine.*

## Media Relations Tip

# Toyota "Tundra" donation gains special attention



Members of Toyota Motor Sales Cincinnati Regional office present a \$5,000 check to Cincinnati Police Chief, Colonel Thomas H. Streicher Jr., along with "Tundra" and his handler, Officer Tony White of the Cincinnati Police Department.

Effectively calculating ROI on media relations placements is a topic that stirs debate whenever it's discussed. There are many methods and each has its proponents and detractors. A strong dose of common sense goes a long way toward determining the value of a placement – and an equally long way when determining the best method of distribution. The potential return on casting a slightly wider distribution net is nearly always worth the

slight bump in cost. A perfect example occurred when Toyota recently donated money to the Cincinnati Police Department for a new police dog.

The department named the dog "Tundra" after Toyota's all-new line of trucks. It was a cute story, accompanied by a photograph, and it was featured in a number of local publications. A modest additional effort to "cast a wider net" was directed at non-mainstream publications that might have an interest in the story, resulting in it being featured in Dog Fancy Magazine's November issue. Compared to the effort required – it paid big dividends.

Dog Fancy Magazine's readers love their pets and so the story had even greater appeal than it did in the mainstream press. More than 43.4 million U.S. households have a dog and that number is growing. More importantly from a marketer's view, the magazine's demographic is a very strong one:

### Dog Fancy Readership Demographics

- Median household income is \$51,136
- Average age is 49.9 years
- 78 percent own their home
- 43 percent have a college degree or higher

## Marketing

# Consumer-generated media is goldmine of information

*Consumer-generated media (CGM), the online content created by consumers through blogs, message boards and online forums such as YouTube and MySpace, is the latest "new thing" in marketing today.*

However, most senior marketers were skeptical of its value according to a marketing management survey by PRWeek/Manning Selvage & Lee (MS&L).

Out of the 279 marketing executives polled, only 12% rated CGM as "very important" while 14% said it was not very important at all.

In fact, "new media" ranked last among marketing disciplines that respondents plan to use within the next year. Traditional online activities such as building a Website, targeting influentials and public relations activities, specifically media relations, were the top three means of marketing.

The survey indicated that there may be a few reasons why this medium is not being embraced. These include a general wariness of turning control of shaping their marketing programs over to consumers, a lack of clear return on investment and budgeting constraints. Regardless of the reason, marketers may be missing huge opportunities to build their brands by not embracing these new techniques.

Also known as social networking, (CGM) tools allow consumers to express their opinions on issues, personal experience with different products and services, and offer recommendations. In some product categories, these "citizen marketers" can make or break a product with their comments in the same way that many credit Ralph Nader's book "Unsafe at any Speed" with the demise of GM's Corvair.

Whether businesses like it or not, everyday users increasingly have the power to influence business results positively or negatively through this "word-of-mouth advertising." Whereas Nader marshaled data into a book and then promoted it, today's consumers can have a genuine impact with a few clicks of the mouse. The technology is new, but the practice is tried-and-true.

Surveys show that more people trust their peers than an advertisement, much like traditional media relations. However, the anonymity of respondents and lack of knowledge, eyewitnesses or depth makes it imperative for marketers to temper such input with other data

and thoughtful analysis. In addition, particularly lively discussions can make their way out of the online community and into more traditional print and broadcast media.

Companies can manage some of this by creating their own blogs to deliver information or engage with customers to get direct feedback. Businesses and traditional media like CNN use this feature on their own websites to generate instant opinions on developing news stories, as well as to conduct surveys and gather consumer-made videos to air as commercial ads or on broadcasts.

### Sidebar: Consumer-generated media

**Internet forum or board:** A web application that allows users to start topics and discuss issues with other users. Content is generated by a series of posts that carry on a dialogue on a particular topic.

**Blog (weblog):** A website where entries are written in chronological order. They provide commentary on a particular subject or serve as a personal diary. Often combines text, images and links to other blogs and web pages.

**User groups:** Repositories of messages posted by different users. Users can carry on discussions, post opinions, views or questions.

**Podcast:** A media file distributed over the internet for playback.

However attractive, communicators need to remember that such input is often superficial and the medium does not lend itself to informed judgment.

### Networking – The New Frontier

Marketers also have the ability on sites like MySpace to build a "friends" network of people devoted to their brand who may use their images and sounds to personalize their profiles. The ability of these people to pass a more personalized brand message to everyone in their network is drawing results so strong that TMZ, the internet's premiere address for breaking exclusive entertainment news, says "'friending" is the next advertising."

Marketers can glean much insight into what consumers are saying about their products, by becoming active in online communities, how their messaging is coming across, get new product ideas, learn about their competitors and forecast trends.

For example, Bob Lutz, vice chairman of General Motors, actively engages customers on his GM blog. He recognizes that by communicating candidly and directly to car enthusiasts, he can get pure feedback of car buyers.

"These people have a great deal of influence, not just on what we read, but on the car their friends and family purchase," said Lutz.

These are examples of technology at its best and providing another means of doing the time-tested things that marketers and insightful business people have always done to grow their businesses. Telling a compelling story in a clear way is a time-proven approach.

**“‘Friending’ is the next advertising.”**

**- TMZ**

### Speed and Responsiveness Benefits

The viral nature of technology-driven communications can also serendipitously provide unforeseen opportunities for nimble marketers

For example, users on YouTube created a sensation when they combined Mentos candy with Diet Coke to create streaming fountains of foam and aired their video on YouTube. Mentos executives were thrilled by this visibility for their brand and estimate the value of this online "buzz" at over \$10 million. In addition, Mentos sales have jumped 15%.

Bottom line for communicators – technology continues to evolve and bring new means of reaching customers – sometimes in completely unforeseen ways. Being aware of the new technology and channels it spawns is the first step in understanding in understanding how to use them effectively.

The overriding thing is to stay receptive, open to new ideas and observant to the fun new ways that people get their information.

*Some information in this article originally appeared in the Marketing Matters Newsletter.*

## Continued: Scott Stubbs

### And in the post dot.com fall out?

We took the same approach to our high-tech clients. As the economy began to re-energize, some of the bigger players like Panasonic sought to transform their trade show and event programs as well as streamline their operations between numerous divisions.

Our new abilities to measure performance let us show how we could save them money and show a return on sales. That is unusual for the corporate office to be able to see in advance how money will be spent during events, as there is a lot of design spending spread across divisions. They decided to consolidate all their North American business with us. We had similar success with the other companies.

### Many companies talk about diversifying but you're doing it. How did you do it?

The first thing we did was set up design and production facilities in Salt Lake City, Utah, as many high-tech businesses are located out west. This put us closer to customers and lowered operating costs.

At the same time, we hired people who knew the high-tech industry and we have been very fortunate attracting talent around the country based on our reputation in the industry. Today, we have sales and marketing locations in San Francisco, Cleveland, Chicago, Scottsdale, Seattle, Portland as well as a design studio in the

UK. We operate over multiple time zones and geographies. This brings a diversity of thinking and lets us bring in talent and creative ideas from all HBSC offices.

Our third axis of diversification was expanding our product offering to include trade shows, mobile and permanent museum exhibits, visitor centers and executive briefing centers.

This is a direct result of the talent we have recruited who bring additional skills and new knowledge to HBSC.

We are also evolving the way we contract with customers. Many companies, particularly the Fortune 500, are looking for more sophisticated approaches of contracting services that encourage more strategic thinking and predictability of spending. They are looking for us to institute best practices within event marketing when selecting which events to attend, how much to invest at each event and measuring the desired result –

whether it be more press coverage or new sales opportunities.

It all gets back to diversification. It's not enough to be a creative designer, great builder or a great manager on site. You have to layer other strategies and services which add value to the core business.

### Twice you have weathered the fall of different industries. How do you stay calm?

Do I lose sleep at night? Yes. But every industry reinvents itself. We have seen it with airlines, automotive, steel, technology. Large companies may face challenges in the short-term but in the long-term they are going to do well. Someone is going to help them meet their challenges and improve their investments, and we intend to be a strong partner in that equation.

*Each issue, P2R will take a unique look at how a local company has solved a problem and met a challenge in their business.*

### New York Times business book best sellers - October 2007

THE AGE OF TURBULANCE, by Alan Greenspan.  
(Penguin Press, \$35)

THE 4-HOUR WORKWEEK, by Timothy Ferris.  
(Crown, \$19.95)

THE AGE OF SPEED, by Vince Poscente.  
(Bard, \$22)

RULES FOR REVENGE, by Christine Comaford-Lynch.  
(McGraw-Hill, \$24.95)

## Continued: iPhone

He says having an iPhone is definitely an edge for his business. "The customer of the Lexus brand is a techno-savvy, affluent buyer, so it does create rapport when you keep up on the latest technology." Berg is also able to give nice demonstrations of Bluetooth technology by using his iPhone to connect with it.

What he likes most about the iPhone is that he is able to access both work and home email servers remotely and with WiFi capability, it automatically switches to the wireless network in the home.

"In many ways, my iPhone has replaced my laptop," said Berg. "The technology in the iPhone makes it a great tool for me."

### Provided by:



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