

# technology is a game changer

Peter Economides  
Brand Strategist

peter@felixbni.com, www.felixbni.com

I don't know anyone who would not want to win the lottery. But I don't know many who play the lottery. Wait. Let me rephrase that. I don't know many who speak about playing the lottery. Sorry but that is the truth. Winning is aspirational. Playing is not.

Now that's a problem. Because there's a lot of new competition for the lottery. And that competition lives online. Which is where most future lottery players spend an increasing amount of time. Not only on computers, but now on mobile devices too.

Your biggest competitor is tomorrow.

Is your lottery ready to face tomorrow?

Is your lottery future-proof?

## **Kodak. Remember?**

Photography did not exist without the iconic Kodak logo. Kodachrome, Ektachrome, Plus-X, Tri-X. Thanks for the (fading) memories. Digital imaging killed Kodak. And smart-phones may put an end to digital cameras. Did you know that your iPhone 4S has an 8-megapixel camera? That's more than most happy snappers would have dreamt of owning just a few short years ago. Do you really need that new Sony or Panasonic digital camera? Probably not. It may not be as good as the camera that comes with your iPhone.

Technology changes consumer lives.

Changing consumer lives kill brands and businesses that don't adapt.

Darwin. You've heard it all before.



*"The railroads did not stop growing because the need for passenger and freight transportation declined. That grew. The railroads are in trouble today not because that need was filled by others (cars, trucks, airplanes, and even telephones) but because it was not filled by the railroads themselves. They let others take customers away from them because they assumed themselves to be in the railroad business rather than in the transportation business. The reason they defined their industry incorrectly was that they were railroad oriented instead of transportation oriented; they were product oriented instead of customer oriented."*

Theodore Levitt in the Harvard Business Review, 1960. Probably the most influential treatise on marketing. Ever. Yet great brands continue to die. Entire industries continue to disappear because they fail to keep up with consumer needs as they evolve through technology.

I was born into a world without television. The "plywood box," which Darryl Zanuck, head of 20th Century Fox famously predicted, in 1946, would not last more than six months, came to South Africa in the late sixties. I cut my teeth as an advertising professional on television. Now I am grappling with social media.

Facebook. Close to a billion subscribers. One billion people (consumers all) who visit and post to their walls and the walls of friends with regularity. Not to consume content. But to par-

ticipate in a massive global community. People hang out on Facebook. And if Facebook was a country, it would be the third largest on earth. Behind China and India, but larger than the USA and Brazil and Russia and Japan and Germany and France. Combined. Facebook has more users than the entire internet in 2004. And if you think Facebook is a fad, think again. It's the tip of the iceberg. The entire internet is going social. With networking sites such as Twitter, Foursquare, Pinterest, LinkedIn, Instagram and more. Much much more.

If you don't have a Facebook account, then get one. Marketing in 2012 without social media is like marketing in the seventies without TV. Would you, could you, work in marketing without watching TV?

This social media thing. It's a misnomer. The phrase lulls marketers into the complacent position of treating this phenomenon as another medium, an alternative, perhaps, or a supplement to their promotional and brand building efforts on television and in newspapers and on billboards.

Think again. It's not about media. In fact, I personally doubt the efficacy of social media as a medium in the sense that television is a medium. It's about more than that. About a whole lot more than that.

Social media has caused a fundamental shift in the way that consumers think, feel and behave. And this consumer can make you or break you. Ask Gaddafi. Ask Mubarak.

*Like, comment, share.*

Everything has changed.

And nothing has changed.

It's just like the coffee shop.

A place where people interact.

Like, comment and share.

But this coffee shop is on steroids.

And some of the time they are discussing you. Your brand. Liking, commenting and sharing. And this affects what they think of you and your brand. In a way that is far more powerful than advertising. Because word of mouth has always been our strongest currency. And now this, too, is on steroids.

**If you're not scared then you are not paying attention.**

Because just when you think you are dealing with it, getting on top of it, along comes the mobile internet. Thanks to the smart-phone and the tablet computer. Instant connectivity. On

the move. Instant liking, commenting and sharing. Instant decision making. Instant purchase.

**Welcome to the conversation economy.**

**Welcome back to the future.**

Business needs to change. It's a question of survival.

Ask the record companies.

The digitization of music in the eighties, with the move from the vinyl LP to the Compact Disc, opened the way for a distribution system which the record companies had not foreseen. The internet. Rather than adapt their business model, they hired an army of lawyers to fight the web. Behind their backs, Apple established the world's largest record store. iTunes. A store which completely bypasses the costly physical manufacturing and distribution systems of the past. Today musicians upload music and consumers download it. Period. How much longer can the record companies survive?

The internet is already populated with thousands of digital gaming platforms. Platforms which meet the needs of gamers without any resort to the physical systems still used by the lotteries. Online forex trading. Online casinos. Online poker. And, most significantly, the so called MMOG's (Massive Multiplayer Online Games) and MMORPG's (Massive Multiplayer Online Roleplaying Games). There is much to learn from these platforms. Lesson one – they have a huge following amongst the 18-25 year old demographic. These kids are unlikely to revert to a simple numbers game called the lottery. No matter how big the ultimate prize.

On these platforms – win or lose – the game is aspirational.

Kids love playing.

**Marketing Myopia revisited.**

*"The lotteries did not stop growing because the need for gaming declined. That grew. The lotteries are in trouble today not because that need was filled by others (online trading, online poker, MMOG's and MMORPG's) but because it was not filled by the lotteries themselves. They let others take customers away from them because they assumed themselves to be in the lottery business rather than in the gaming business. The reason they defined their industry incorrectly was that they were lottery oriented instead of gaming oriented; they were product oriented instead of customer oriented."*

Forget it Mr. Levitt.

We have learned our lessons.

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*Peter Economides is a global strategic brand and communications consultant based in Athens Greece, but working worldwide for clients such as Beko, Coca-Cola, Heineken and the International Olympic Committee. Peter is a former Executive Vice President and Worldwide Director of Client Services at global advertising agency, McCann-Erickson and former Head of Global Clients at TBWA Worldwide, both in New York. At McCann-Erickson he headed up the \$1.8 Billion Coca-Cola advertising account. At TBWA he was part of the team behind the Think Different campaign which re-launched Apple in 1997. Peter is a native South African who has lived in Hong Kong, Greece, Mexico and New York.*