



The brave new world of branded utility

What have we learned from the past few years of uncertainty? That the underlying principle of good advertising is interaction. If you've managed to get someone's attention you can't afford to waste it. Having people press the red button, send a text or visit a website is a great way of using the time you've paid for, by getting people to spend their time with you. Why would people do that? Because they think that what you're offering is appealing, useful, relevant or entertaining.

Watching a typical ad break would make you think advertisers assume nothing has changed, hoping to coerce you into buying their hatchback/air freshener/shampoo/ by telling you how great it is.

There's nothing wrong with that, except we now know it doesn't work that well any more. Not that long ago we liked advertising – in 1999 a third of UK consumers thought the ads were better than the programmes – but by last year that had halved, and I don't think anyone believes that the programmes got better.

So how about brands giving something back? Being useful? Having something interesting to say? How about creating a topic of conversation? Planning guru John Grant recently reminded me of a Stan Rapp quote – 'Ask not what your customers can do for you, ask what you can do for your customers'. Welcome to the brave new world of Branded Utility, where brands look to provide a useful service or a helpful application; to give people something they actually need – without demanding an immediate return. Web 2.0 means that it's never been easier or cheaper to develop applications. A key element is gadgets and widgets – the new, new thing on the web, as people build applications that can be added to your homepage on Google or Microsoft Live or your MySpace page. Widgets are little desktop gizmos that range from a time and date clock to a mini Amazon recommendations page. Useful services, at your fingertips – and catching on fast. Yahoo! is said to be investing heavily in the expansion of their Widget Gallery.

Not all branded utility occurs online. Ideas like Nike Run London (where 35,000 Londoners pay to run 10km in an event organized by Nike) and Innocent's Fruitstock (a family-friendly music festival in London's Regent's Park that is completely paid for by cult smoothie brand Innocent) fit the label – but they're inherently limited in scale by their physical nature. Tesco's Computers for Schools scheme gets closer – vouchers given away for free with groceries to be pooled and redeemed against PC hardware.

Bring in Nike+, however, and you're getting really close – a tie-in between iPod and Nike to provide detailed training and workout information, plus an online community to put you through your paces. Smart marketers are starting to see that Branded Utility really comes to life on the web, and as part of that most valuable piece of real estate, the link between your PC desktop and your mobile screen. Why? Because it's cheap, pervasive and hugely scalable. A good idea could be used around the world by millions of people.

Imagine if Weight Watchers could give people a simple tool that allowed people to note what they eat and have the consequent calories, saturated fat, and all the other metrics of healthy eating, monitored for them. And that it sat on your web homepage or mobile phone. Simple – and cheap as chips (sorry). Or what if a car manufacturer provided a real time traffic map of each commuter's journey home, appearing on their computer screen 15 minutes before they're due to leave work? No more traffic jams, no more tube crises. Honda in Japan have just launched something similar, to which users can even add restaurant recommendations.

Heinz could offer a recipe service – text in what you have in your fridge and be sent back a couple of simple recipes your kids will love. Or ask the Heinz bot on your Instant Messaging service and get the same response.

These ideas are all entirely possible, eminently affordable and very effective.

How about a Sharedealing business giving people regular updates on the latest prices of the shares they're really interested in? Halifax Sharedealing customers can already apply for this widget online. And a travel business helping students plan their backpacking journeys through a Google Maps mash up enriched with information about the destination from previous visitors? The STA Travel in the UK are launching just such a service shortly.

Given that your homepage is private and your myspace or blog is public, brands need appropriate strategies. Only the most confident woman would share her calorie counter with the world. The commuter traffic map, too, is one to one communication as it is inherently private - but a Google Maps travel guide is public and therefore can reach many more people. Or imagine if all those people who wear Nike branded clothes could add a Nike branded 'badge' to their MySpace page showing a clip of a wonderful piece of skill from Ronaldinho. By showing their allegiance to the brand, Nike is visible to all their friends who visit their page.

This approach puts brands into the centre of people's lives, at an appropriate moment, earning those brands attention and engagement. But it firmly demonstrates how the consumer has taken control – and that permission marketing is paramount.

So if we accept that a central role of advertising is now to invite interaction, these tools give brands more to say. Advertising becomes less about screaming 'Beans are good!' and more about finding '100 ways of using beans that your kids will love'. As people start to use the service or application, the brand has a direct channel to that person, and a real opportunity for a permission-based dialogue.

Once something meets a need, it's tricky for anything else to usurp it – it's there for as long as people find it useful, or until someone invents a better one. It's a land grab culture, and brands need to act like software companies – seizing first mover advantage and constantly renewing the service so it's always up to date. The business models for this type of approach are software-like too, as the cost of developing one of these tools is low, and their spread can be driven cheaply, by word of mouth. But their value is huge, so we expect the creators to share in the success of the initiative though some form of license.



This is all part of a bigger shift in how brands reach out to the people they're interested in talking to. Brands are less willing to pay media owners for the right to interrupt the audience that the media owner has aggregated. They know that with the right content and the right approach they can create their own audience – where quality is much more important than quantity. So branded utility sits alongside branded content and brand-curated content as part of the smart brand's arsenal.

But who helps brands navigate such a shift in approach?

The creative agency - or is yours still a factory churning out 30 second TV commercials (with a little Louis Vuitton style integration, based on the idea that it all looks the same so it must be integrated, right?) Is it your media agency - or are they still firmly focused on reach and frequency and little else? Could it be your interactive agency – or have they turned into a banners and buttons factory?

At Mindshare, we don't see a distinction between media and creative in digital – it's either a good idea or it's not. And what better idea than making our consumer's lives richer and easier?

It's time to experiment.

Simon Andrews – Chief Strategy Officer, Mindshare Interaction

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