

Real Marketing 3.2

YourCompanySucks.com

Marketers have hailed the Internet as the great new relational medium. Companies use the Web to engage customers, gain insights into their needs, and create customer community. In turn, Web-empowered consumers share their brand experiences with companies and with each other. All of this back-and-forth helps both the company and its customers. But sometimes, the dialog can get nasty. Consider the following examples:

MSN Money columnist Scott Burns accuses Home Depot of being a “consistent abuser” of customers’ time. Within hours, MSN’s servers are caving under the weight of 14,000 blistering e-mails and posts from angry Home Depot customers who storm the MSN comment room, taking the company to task for pretty much everything. It is the biggest response in MSN Money’s history.

Blogger Jeff Jarvis posts a series of irate messages to his BuzzMachine blog about the many failings of his Dell computer and his struggles with Dell’s customer support. The post quickly draws national attention, and an open letter posted by Jarvis to Dell founder Michael Dell becomes the third most linked-to post on the blogosphere the day after it appears. Jarvis’s headline—Dell Hell—becomes shorthand for the ability of a lone blogger to deliver a body blow to an unsuspecting business.

Systems engineer Michael Whitford wakes up one morning to find that his favorite-ever laptop, an Apple MacBook, still under warranty, has “decided not to work.” Whitford takes the machine to his local Apple store, where the counter

person obligingly sends it off for repairs. However, Whitford later gets a call from an Apple Care representative, who claims that the laptop has “spill damage” not covered by the warranty and says that repairs will cost him \$774. “I did not spill anything on my laptop,” declares Whitford. “Too bad,” says the Apple rep, and the MacBook is returned unrepaid. But that’s not the end of the story—far from it. A short time later, Whitford posts a video on YouTube (www.youtube.com/watch?v=hHbrQqrgVgg). In the video, a seemingly rational Whitford calmly selects among a golf club, an ax, and a sword before finally deciding on a sledgehammer as his weapon of choice for bashing his non-functioning MacBook to smithereens. More than 520,000 people have viewed the smashup on YouTube, and the video has been passed along on countless blogs and other Web sites.

Extreme events? Not anymore. The Internet has turned the traditional power relationship between businesses and consumers upside-down. In the good old days, disgruntled consumers could do little more than belittle a company service rep or shout out their complaints from a street corner. Now, armed with only a PC or a smartphone and a broadband connection, they can take it public, airing their gripes to millions on blogs, chats, online social networks, or even hate sites devoted exclusively to their least favorite corporations.

“I hate” and “sucks” sites are becoming almost commonplace. These sites target some highly respected companies with some highly *disrespectful* labels: PayPalSucks.com (aka No-PayPal); WalMart-blows.com; Mac-Sucks.com,

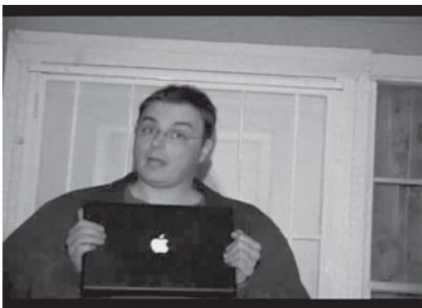
Microsucks.com; AmexSux.com (American Express); IHateStarbucks.com; DeltaREALLYsucks.com; and UnitedPackageSmashers.com (UPS), to name only a few. “Sucks” videos on YouTube and other video sites also abound. For example, a search of “Apple sucks” on YouTube turns up 4,660 videos; a similar search for Microsoft finds 4,820 videos. An “Apple sucks” search on Facebook links to 540 groups.

Some of these sites, videos, and other Web attacks air legitimate complaints that should be addressed. Others, however, are little more than anonymous, vindictive slurs that unfairly ransack brands and corporate reputations. Some of the attacks are only a passing nuisance; others can draw serious attention and create real headaches.

How should companies react to online attacks? The real quandary for targeted companies is figuring out how far they can go to protect their images without fueling the already raging fire. One point on which all experts seem to agree: Don’t try to retaliate in kind. “It’s rarely a good idea to lob bombs at the fire starters,” says one analyst. “Preemption, engagement, and diplomacy are saner tools.”

Some companies have tried to silence the critics through lawsuits, but few have succeeded. The courts have tended to regard such criticism as opinion and, therefore, protected speech. Given the difficulties of trying to sue consumer online criticisms out of existence, some companies have tried other strategies. For example, most big companies now routinely buy up Web addresses for their firm names preceded by the words “I hate” or followed by “sucks.com.” But this approach is easily thwarted, as Walmart learned when it registered ihatewalmart.com, only to find that someone else then registered ireallyhatewalmart.com.

In general, attempts to block, counterattack, or shut down consumer attacks may be shortsighted. Such criticisms are often based



Today, armed only with a PC and a broadband connection, the little guy can take it public against corporate America. By listening and proactively responding to such seemingly uncontrollable environmental events, companies can prevent the negatives from spiraling out of control or even turn them into positives.

on real consumer concerns and unresolved anger. Hence, the best strategy might be to proactively monitor these sites and respond to the concerns they express. “The most obvious thing to do is talk to the customer and try to deal with the problem, instead of putting your fingers in your ears,” advises one consultant.

For example, Home Depot CEO Francis Blake drew praise when he heeded the criticisms expressed in the MSN Money onslaught and responded positively. Blake posted a heartfelt letter in which he thanked critic Scott Burns, apologized to angry customers, and promised to make things better. And within a month of the YouTube video, Apple fessed up to its misdeeds and replaced Michael Whitford’s laptop. “I’m very happy now,” says Whitford. “Apple has regained my loyalty. I guess I finally got their attention.”

Many companies have now created teams of specialists that monitor Web conversations and engage disgruntled consumers. In the years since the Dell Hell incident, Dell has set up a 40-member “communities and conversation team,” which does outreach on Twitter and communicates with bloggers. The social media team at Southwest Airlines “includes a chief Twitter officer who tracks Twitter comments and monitors Facebook groups, an online representative who checks facts and interacts with bloggers, and another person

who takes charge of the company’s presence on sites such as YouTube, Flickr, and LinkedIn. So if someone posts a complaint in cyberspace, the company can respond in a personal way.”

Thus, by listening and proactively responding to seemingly uncontrollable events in the environment, companies can prevent the negatives from spiraling out of control or even turn them into positives. Who knows? With the right responses, Walmart-blows.com might even become Walmart-rules.com. Then again, probably not.

Sources: Quotes, excerpts, and other information from Todd Wasserman, “Tell Your Customers to Crowdfund This,” *Brandweek*, October 19, 2009, p. 26; Michelle Conlin, “Web Attack,” *BusinessWeek*, April 16, 2007, pp. 54–56; Jena McGregor, “Consumer Vigilantes,” *BusinessWeek*, March 3, 2008, p. 38; Christopher L. Marting and Nathan Bennett, “Corporate Reputation; What to Do About Online Attacks,” *Wall Street Journal*, March 10, 2008, p. R6; Carolyn Y. Johnson, *Boston Globe*, July 7, 2008, p. B6; and “Corporate Hate Sites,” New Media Institute, www.newmedia.org/articles/corporate-hate-sites—nmi-white-paper.html, accessed August 2010.

REVIEWING Objectives AND KEY Terms

In this chapter and the next three chapters, you’ll examine the environments of marketing and how companies analyze these environments to better understand the marketplace and consumers. Companies must constantly watch and manage the *marketing environment* to seek opportunities and ward off threats. The marketing environment consists of all the actors and forces influencing the company’s ability to transact business effectively with its target market.

Objective 1 Describe the environmental forces that affect the company’s ability to serve its customers. (pp 66–70)

The company’s *microenvironment* consists of actors close to the company that combine to form its value delivery network or that affect its ability to serve its customers. It includes the company’s *internal environment*—its several departments and management levels—as it influences marketing decision making. *Marketing channel firms*—suppliers and marketing intermediaries, including resellers, physical distribution firms, marketing services agencies, and financial intermediaries—cooperate to create customer value. *Competitors* vie with the company in an effort to serve customers better. Various *publics* have an actual or potential interest in or impact on the company’s ability to meet its objectives. Finally, five types of customer *markets* include consumer, business, reseller, government, and international markets.

The *macroenvironment* consists of larger societal forces that affect the entire microenvironment. The six forces making up the company’s macroenvironment include demographic, economic,

natural, technological, political/social, and cultural forces. These forces shape opportunities and pose threats to the company.

Objective 2 Explain how changes in the demographic and economic environments affect marketing decisions. (pp 70–78)

Demography is the study of the characteristics of human populations. Today’s *demographic environment* shows a changing age structure, shifting family profiles, geographic population shifts, a better-educated and more white-collar population, and increasing diversity. The *economic environment* consists of factors that affect buying power and patterns. The economic environment is characterized by more frugal consumers who are seeking greater value—the right combination of good quality and service at a fair price. The distribution of income also is shifting. The rich have grown richer, the middle class has shrunk, and the poor have remained poor, leading to a two-tiered market.

Objective 3 Identify the major trends in the firm’s natural and technological environments. (pp 78–81)

The *natural environment* shows three major trends: shortages of certain raw materials, higher pollution levels, and more government intervention in natural resource management. Environmental concerns create marketing opportunities for alert companies. The *technological environment* creates both opportunities and challenges. Companies that fail to keep up with technological change will miss out on new product and marketing opportunities.