



Tribal Marketing

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For today's marketer, the consumer world is more complex than ever. Heightened competition, more choices for consumers, and the subdivision of consumers into smaller niche segments are but few of the many factors that make it increasingly difficult for marketers to develop long-term, profitable relationships with a loyal group of customers.

Whether struggling in a sea of competition, or wanting to take your product or brand to the next level of consumer loyalty, you might conclude that innovative change is needed. Tribal marketing could be an answer.

This article introduces the concept of tribal marketing from a marketer's perspective by answering the following questions:

1. What is this concept of tribal marketing?
2. Why should I care?
3. Is it right for me?

Consumer Tribes: Consumed By Passion

“Consumption microcultures”, “brand cultures”, “brand communities” or what we will term throughout this article as “consumer tribes”, are commonly coined expressions to describe a group of people who are held together by some common passion – and for marketers – a potential group to nurture, and to market to. Think of loyal consumers of Apple's Mac brand, or Harley Davidson. Mac tribe members identify themselves and other Mac tribe members as “artists” who are passionate about using technology to create. The Mac products support their distinguished passion and identities, creating loyal consumers of the product and Mac brand. Harley Davidson tribe members identify themselves and other members of their tribe as rebels who want to break free from traditional routines and society. The Harley Davidson brand helps to reinforce this aspect of their identity.

What brings tribe members together is the innate human need to belong, and to belong with people who accept and celebrate a common aspect of who they are – the artist, or the rebel, for example.¹ In fact, the notion of “tribe” is borrowed from anthropology, describing groups of people who are brought together not around something rational, such as a job, but around deeper, more profound ‘tribal’ needs, such as kinship and passion.² Likewise, modern tribal members' connection to a product or brand, and to each other, is beyond the functional aspects of an iMac or a Harley Davidson Sportster – it is beyond rational emotion - in fact, it is about connecting with who they are (Figure 1).³ And it is this strong connection between tribe members and the product or brand that a marketer can leverage to ultimately generate long-term profits.

1 Atkin, D (2004). The Culting of Brands. The Penguin Group.

2 Rozenberga, L, & Silko, L (2005). Application of Tribal Marketing in Latvia: The Case of Snowboarders.

3 I Ghosh, personal communication, May 7, 2008.



Figure 1. Consumer tribes share a strong connection to a product or brand, and to each other – a connection that reinforces their identity. The indicated brands convey examples of brands that would be classified under the utilitarian, emotional, and self-identification categories. Consumer's affinity for a brand increases as the brand is positioned higher in the pyramid.

The Tribal Marketing Approach

The concept of tribal marketing is to create marketing strategies focused on leveraging these consumer tribes, and specifically, their shared passion and innate need for belonging.

You might think of the tribal marketing approach as providing a different perspective; an alternate way of breaking up the consumer world. Take classic market segmentation, for example. In this approach, marketers break up their consumer world by demographics, geography, and/or psychographics. The overall goals are:

- ▶ to identify groups of similar customers - segments;
- ▶ to prioritize the segments to address;
- ▶ to understand chosen segments in further depth; and
- ▶ to develop appropriate marketing strategies that satisfy each segments' needs and preferences.⁴

Tribal marketing has a similar intent. In this approach, however, consumers are not segmented and bound by geographic and demographic limitations. Instead, groups of people are segmented by a marketer's insight on a shared passion across group members. These segments, called consumer tribes, are defined or created by the marketer. These consumer tribes, then, provide the basis for addressing and understanding their needs, and developing appropriate marketing strategies (Figure 2).

⁴ (2008). Market Segment. In Wikipedia [Web]. Website: http://en.wikipedia.org/wiki/Market_segmentation.

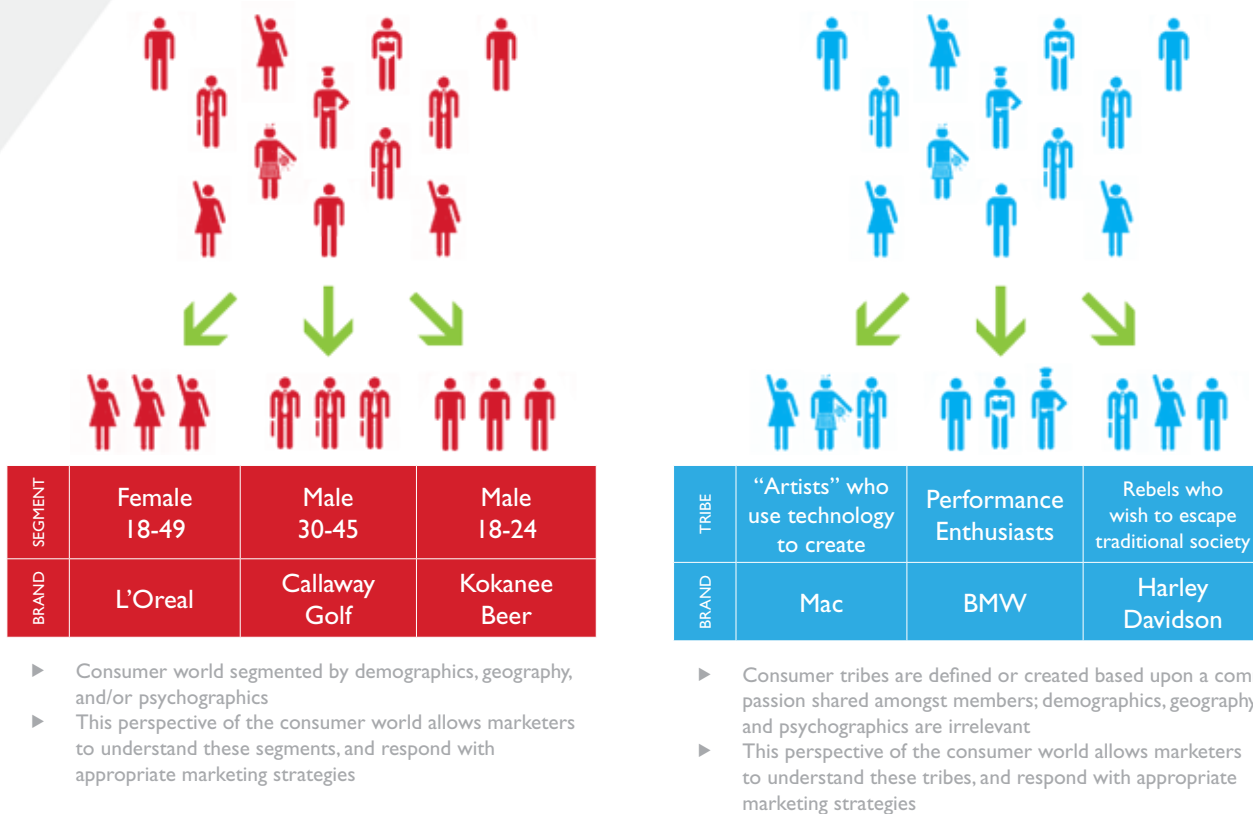


Figure 2. Tribal marketing provides a different perspective of breaking up the consumer world.

“Okay - I get tribal marketing. Now – why do I care?”

The tribal marketing approach, implemented successfully, can provide important benefits to a brand.

- ▶ Tribe members talk - with each other and with potential members. If given the opportunity to interact, tribe members can be effective advocates of your product or brand, both to existing tribe members and potential recruits.⁵ Word of mouth opportunities are plentiful.
- ▶ A product or brand that speaks authentically and deeply to a tribe's core passion may translate to consumption of the product or brand with very strong levels of loyalty. What marketer wouldn't want "active loyalists"?⁶
- ▶ With high levels of loyalty, there is the potential for higher profit margins since traditionally, higher customer affinity equates to a willingness to pay higher prices.
- ▶ With permission from the tribe, marketers can participate in and/or observe tribal "rituals" and "gatherings" and be able to collect important information to help to develop future products or strategies and tactics to better serve tribes. As a result of receiving input directly from the end consumer, product development cycles may shorten with quality offerings.

This is the appeal of the tribal marketing approach.

It sounds great in theory, but has it worked in the real world?

5 Muniz, Author's first name initial A.M., & O'Guinn, T.C. (2001). Brand Community. Journal of Consumer Research. 27, 427.

6 Muniz, Author's first name initial A.M., & O'Guinn, T.C. (2001). Brand Community. Journal of Consumer Research. 27, 427

SATURN: A DIFFERENT KIND OF COMPANY (EXCERPT FROM THE CULTING OF BRANDS⁷)

The Situation

In the 1980's, competitive pressures from Japanese car companies meant that American car manufacturers, including General Motors (GM), were competing against often superior products at lower prices. On top of that, rocky relations between GM and the United Auto Workers (UAW) labour union stifled innovation and competitiveness. Change was needed.

GM and Saturn's Approach

In 1983, 99 members representing both GM and the UAW set out on a hunt to examine the industry: how were the Japanese so successful? And why was the American industry not? They found that the most productive organizations were those focused on people, systems, and cooperation. Enter Saturn, conceived as a separate subsidiary of GM, to deliver on these findings.

Saturn founders began to build the company by hand-picking members from GM and UAW; employees were chosen based on their passion for the idea since joining the new venture meant sacrificing a stable and comfortable job. These members were the type to question everything – misfits in their own organizations. The circumstances catalyzed the formation of a tight-knit community: warding off a common threat, believing in the idea of respect, making a sacrifice to join Saturn, being misfits in their previous roles, and interacting closely with each other. They could be themselves, and feel respected by others like them.

What began as a concept to ward off a competitive threat, Saturn evolved into something that represented the ideology of respect - a deviation from what was normal: a lack thereof. Workers, once seen as misfits, were now being listened to and respected.

For Saturn, this idea of respect was translated and shared with customers, particularly in the retail experience. Saturn implemented a no-haggle philosophy, encouraged by employing a salary versus a commission-based structure. Salesmen were more focused on listening to the customer, and offering sound advice.

Customers began to feel connected with this idea of respect. Yes, they were impressed by the infallible customer service and respect they were not accustomed to from other auto retail experiences, but more than that, they were identifying with the need for respect in their everyday lives. Saturn customers were also workers who were not listened to in their own jobs. They were people who felt alienated – women and ethnic groups, for example. In other words, being part of the Saturn community brought with it a sense of belonging.

The shared ideology of respect and sense of belonging were strengthened through created experiences where Saturn community members could interact with one another. Three years after launch, the company held its first community event – “Homecoming.” Saturn owners came to Spring Hill, Tennessee from all over the world to meet other owners, their families, retailers, and plant workers and share in the fun of barbeques, music, and games.

Thereafter, many more community building strategies were implemented: monthly car clinics to teach about car maintenance and emergency procedures, monthly barbeques at individual retailers, invitations to rallies around the countryside, and participation in the building of playgrounds in deprived areas by both workers and customers are prime examples.

Saturn became a family where plant workers, retailers, and customers felt a sense of responsibility for each other.

⁷ Atkin, D (2004). The Culting of Brands. The Penguin Group. 65-66, 76-79, 142-144, 161-172.

The Results

In two years after launch, Saturn became the fastest selling small car in the U.S. Quite simply, customers were satisfied. But, for the most part, customer satisfaction was not rooted in the functional elements of Saturn cars. Rather, as indicated through surveys, 75% of that satisfaction was due to the customer's relationship with and attitudes toward the retailer.

Positive interactions with retailers turned customers into advocates, or "active loyalists". By 1992, 70% of Saturn's customers were new, referred to by other Saturn customers. On top of that, Saturn was highly ranked in terms of customer loyalty: fourth only after three luxury brands.

Clearly, the Saturn success story demonstrates how building and nurturing a consumer tribe can bring about strong benefits to an organization in the form of increased sales, brand advocacy, and strong customer loyalty.

A Marketers Dilemma: To Market by Tribes or Not?

Like all important marketing decisions, a marketer must understand his or her own objectives, and consider the benefits and risks of alternative decisions. We've already pointed to some of the benefits of employing a tribal marketing approach. Tribal marketing can lead to high payoffs, as demonstrated in the Saturn example; however, the risks must also be considered. These benefits and risks are summarized in Figure 3.

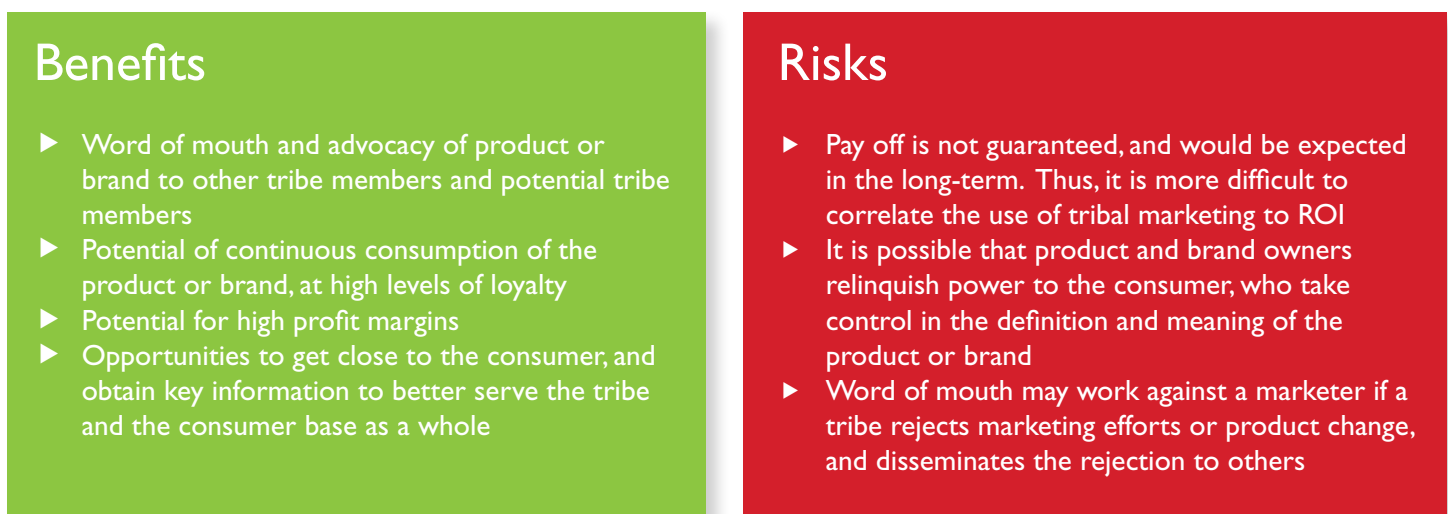


Figure 3. Summary of benefits and risks of employing a tribal marketing approach.

Is your product or brand up against dominant competitors? Do you wish to move your product or brand from the emotional to the self-identification level? Or do you feel your brand/product does not have adequate marketing support from your organization? If you value innovation and change over risk, then the tribal marketing approach should be considered.

The other question a marketer might ponder is: Does the tribal marketing approach really make sense for a product or brand that exists in a highly functional category - stationery, for example?

Brands that rely on emotional decisions are more viable to moving up the pyramid to self-identification status. However, while it is more difficult to identify the emotional appeal in some products or brands, it is not impossible. We are first and foremost: self-identification and the need to belong are more powerful than any sort of rational thinking.⁸

⁸ Atkin, D (2004). The Culting of Brands. The Penguin Group.

About Accelteon Partners

Accelteon Partners is a strategy consulting firm dedicated to developing sound customer-centric strategies which are built to deliver measurable results.

We can assist you in understanding and engaging your customers with a tribal marketing approach. Our team can work with you to develop and implement a tribal marketing strategy that fits your needs. If you would like to learn more and how tribal marketing can fit with your brand, please contact us at gotribal@accelteon.com.

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