

Competing in the Age of Electronic Time

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Summary

- With the penetration of electronic calendars (Outlook, Lotus Notes etc.) in the workplace now having reached 60-70% and the effectiveness of Internet advertising having fallen to click-through rates of less than 0.5%, **calendar communication** and **calendar commerce** offer a new and more effective sales and marketing channel for products and services with a time-based component
- Businesses must try to gain as much access to and control of their customers' time, in order to grow revenues:
 1. Gain share of mind during the sales process by inserting your appointments into the prospect's calendar
 2. Ensure customers spend their time on *your* product or service rather than that of a competitor by making it easier and quicker for them to book *your* event in their calendar. Pre-sale, this can be achieved by including live URLs in calendar entries for events which have been "pencilled in", allowing customers to confirm their booking with a single click. Post-sale, revenues from cross-selling related products can be increased by including links to tailored offerings within the calendar entry. 86% of electronic calendar users say they are more likely to attend an event if it is in their calendar
 3. Ensure cost effective execution at the critical time e.g. by helping a customer make a share trade immediately following a key market announcement (by putting the time of the announcement in their calendar, together with a direct link to the share trading page) you increase the likelihood of them using *your* share dealing service
 4. Reinforce your brand by placing it in the electronic calendars of your target audience. 58% of electronic calendar users check their calendar more than 5 times per day
- Gaining access to the calendar requires:
 - trust: well-known brands can leverage their reputation
 - technology: open standards such as vCal have failed to deliver commercially because they are "one-way", lacking the ability to change events once inserted into the calendar and to send alerts based on the user's event profile. Infuzer is a commercial service which provides a calendar commerce and communication infrastructure
- Examples already exist of companies exploiting this new channel:
 - kalends.com, a Reuters company, lists events worldwide and includes links for relevant ecommerce transactions in each calendar entry
 - sportingodds.com provides a calendar of sports events and includes a link back to its betting page in each calendar entry
 - weather.com offers a free weather forecast in the user's calendar and drives traffic back to its site for more detailed information from links in the calendar
- Companies should include "the calendar" as they develop a consistent strategy across multiple channels, such as print and wireless, and the richness of information delivered by understanding which events a user has put in their calendar must be included in any CRM system
- Leveraging the electronic calendar should be a core strategic objective for every company selling products or services which are in any way time-dependent, for all others, the calendar should at least be seen as an important channel during the sales process

Competing in the Age of Electronic Time

by Ray Eitel-Porter¹, July 2001

A search on Britannica.com for “time” returns the following statement: “accuracy in specifying time is needed for civil, industrial and scientific purposes”. Time and its measurement are central to every aspect of life. None of us “has enough time” – we all wish we had more of the ultimate scarce resource. Little wonder, then, that competing for your potential customer’s time is a critical element of doing business, yet it is one which is poorly understood in today’s age of “electronic time”: an age when more business people use an electronic means of time planning than a paper-based one. The electronic calendar², both on the desktop and on handheld devices, has come of age and it has brought with it a new distribution channel which for all companies is important and for many should form part of their core strategy.

Early examples of “calendar commerce”

With the arrival of time recording and planning in the business world, companies soon spotted the opportunity to leverage this platform for commercial purposes. John Letts created the world’s first commercial calendar in 1812 and by the 1820’s detailed information sections had been added, such as we are familiar with today, taking the calendar beyond a simple means of recording and planning time. In 1949 The Economist launched its first Economist branded calendar, cleverly leveraging its brand strength to earn revenues from the sale of calendars far beyond the price of a simple print medium for time planning. The leather-bound Economist desk calendar soon became a recognisable status symbol adorning the desks of senior business people. The Economist was able to earn further revenues from selling “corporate sponsorship” of these calendars to third parties, eager to gain access to this market of senior business people who would see the sponsor’s name (and offering) every day when they used their calendar. There remained, however, one serious limitation on this market opportunity: the print calendars were produced and distributed once each year and the marketing message had to remain static until the following year when a new calendar was printed.

Calendars go digital

The first extension of calendaring into the digital age came with the introduction of PC-based and then handheld electronic calendars. Early PC-based systems such as SideKick and Lotus Organizer started to gain acceptance in the early 1990’s, as did the Psion handheld organizer. Interestingly, however, no attempt was made to leverage the basic time recording and planning functionality for additional sales and marketing opportunities for many years. In 1998 The Economist, working with software company *on board info*, launched its Diary Companion (later renamed *eCalendar Companion*) which allowed users of electronic calendars to subscribe to receive content for their calendar, such as business, sports and entertainment dates and events, at first on disk and subsequently via the Internet.

¹ The author is CEO of Internet services company *on board info*. He was formerly a director of L.E.K. Consulting and holds an MBA from INSEAD

² We will use the term “calendar” to refer to what is commonly known in the United Kingdom as a “diary” and in the United States as a “schedule”

Also around the same time, Web-based electronic calendars began to emerge and soon became a “hot” area of Internet technology, with Web-calendar companies being purchased by the likes of Yahoo and Microsoft for large sums of money³. The premise of Web-calendars was strikingly similar to the original Economist print calendar: people look at their calendar many times a day, so displaying your message in the calendar assures repeated “eyeballs”. Of course, for Internet companies at that time, “eyeballs” were the valued currency and Web-calendars appeared to be the perfect way to achieve “stickiness” and repeat traffic. The reality turned out to be more complex: people do indeed need to look at their calendar many times a day, which meant that they very quickly grew weary of the slow speed of Internet access, every time they wished to consult their calendar or book an appointment. Furthermore, many business people already had an electronic calendar (the likes of Microsoft Schedule Plus or Outlook, Lotus Notes or Act!): the last thing they needed was a second calendar in a different place. Research conducted by Mori for Reuters⁴ revealed that 60% of respondents were “not interested” in using a Web-based calendar, with only 5% “very interested”, whereas respondents did favour the ability to receive information about events in their existing calendar, together with reminders. Hence, Web-calendars never succeeded in achieving their potential but Web-based calendars may see a resurgence in the coming years, as we describe below.

Another company which recognised an opportunity to exploit the power of the Internet to capture value in this area was Lastminute.com. Never before had there been such an effective distribution mechanism for time-related goods and services which could be sold for a marginal contribution as their expiry date neared.

Calendar commerce comes of age

We estimate that the penetration of electronic calendars among the business community has now reached 60-70%⁵ and it continues to grow rapidly. A further significant impetus, which will also help to take electronic calendaring to the mass market, will come with the introduction of calendaring functionality into mainstream mobile phones, as is expected within the next twelve months. At the same time, the effectiveness of advertising on the Internet is at an all-time low, as click-through rates have plummeted to less than 0.5%⁶.

Sales and marketing need to find a new and more effective way to promote their products and services to the digital audience: calendar communication and calendar commerce provide the answer.

With the exception of “impulse purchases” every transaction or sale has a time-related component to it, in at least one of three areas:

³ Amazon acquired PlanetAll for an estimated \$90m and Yahoo purchase WebCal for an estimated \$30m in 1998. Microsoft acquired Jump and AOL acquired when.com in 1999 (both for undisclosed sums)

⁴ “Event Calendaring Service”, Mori research, June 2000, for Reuters during the planning of www.kalends.com: a future event information service

⁵ Based on research undertaken by The Economist (1998), The Financial Times (1999) and Portman Travel (2000), plus subsequent growth rates and empirical evidence

⁶ Financial Times, March 2nd, 2001

1. The purchase cycle: booking a date for a sales presentation, noting the time for a follow-up call, time-limited special offers, completing a project within a specified time;
2. The product or service itself may require use of the customer's time: travel, entertainment, further education, conferences;
3. The product or service contains a time-critical component: time-sensitive financial products such as options or trading as a result of a key market-moving announcement, courier deliveries, home shopping delivery, the delivery of materials as part of the supply chain.

The message for business is simple: the greater access to and control of a potential customer's time it can gain, the more opportunity it has to grow revenues. How can this be achieved in the three areas outlined above?

1. Maintain momentum and ensure share of mind during the sales cycle by inserting your appointments into the prospect's calendar. According to an Omnibus Survey conducted in April of this year, 93% of PDA users and 80% of PC calendar users say that they are "almost certain" to read information which is in their calendar. Calendar communication helps convert prospects to customers.

2. Ensure that customers spend their time on *your* product or service rather than that of a competitor by making it easier and quicker for them to book *your* event in their calendar. Pre-sale, this can be achieved by including live URLs in calendar entries for events which have been "pencilled in", allowing customers to confirm their booking with a single click. Post-sale, revenues from cross-selling related products can be increased by including links to tailored offerings within the calendar entry. 86% of electronic calendar users say they are more likely to attend an event if it is in their calendar⁷, whereas it is commonly accepted that the biggest cause of lost revenue from ticketing/events is people forgetting or double-booking: "On average, only two thirds of people who intend, actually attend an event."⁸ Even popular pastimes such as sport are not exempt, as the New York Times has recently observed: "Sports . . . cannot assume they will remain as popular 20 or 50 years from now as they are today simply by historical or cultural birthright. What is needed, league and network officials say, is eager adaptation to new technologies and indefatigable attempts to attract new audiences with a more customized, personalized approach to marketing and promotions"⁹.

Calendar commerce is the most effective way to sell time-related products and services.

3. Ensure cost effective execution at the critical time e.g. by helping a customer make a share trade immediately following a key market announcement (by putting the time of the announcement in their calendar, together with a direct link to the share trading page) you increase the likelihood of them using *your* share dealing service. Ensure that your customer is at home to receive the grocery delivery by booking the slot in their calendar, so reducing the number of wasted calls. Reduce customer service costs

⁷ Omnibus Survey, April 2001

⁸ Roger Tomlinson, author of "Boxing Clever: getting the most out of the box office" and Head of Business Development, Tickets.com - Europe

⁹ The New York Times, July 31st, 2001

by including the e-ticket reference number and relevant local contact phone numbers for each leg of a traveller's itinerary in their PDA calendar entry. Calendar communication is the most appropriate medium for time-related messages and "calls to action".

4. Reinforce your brand by placing it in the electronic calendars of your target audience. 58% of electronic calendar users check their calendar over five times a day¹⁰ and "[the electronic calendar] offers a rare opportunity to deliver targeted branding messages into the office environment"¹¹. Calendar communication is a sure way to be noticed.

Where to begin?

Two critical issues confront any company wishing to participate in this new commercial battlefield: trust and technology.

Dr. Peter Collett's research into the psychology of calendaring has shown that trust is critical to gaining access to someone's calendar: "people who use electronic calendars don't mind others looking at their calendar, but they seem to resent other people making entries in their calendar without telling them"¹². Companies must leverage the reputation of their brand to gain admittance to the prospect's calendar and they abuse this trust at their peril. People have learned the lesson of email spam and will immediately deny access to their calendar to any party which abuses it.

The other challenge is how to gain physical access to the calendar. Currently there are very few ways to deliver messages to the calendar and conduct commerce within or from calendar entries. For traditional print calendars one mechanism cleverly adopted by some marketers is to offer customers printed stickers to put in their calendar. For electronic calendars the interactivity of the medium offers far greater potential but the technical challenge is greater. The manufacturers of electronic calendars developed a standard called vCal which was designed to provide a common interface for inserting entries into calendars, however, it is severely limited by the fact that communication is one way: entries can be made but cannot be updated, removed or changed i.e. no two-way communication and transaction channel exists between the user and the originator. Added to this, there are notable electronic calendars which do not support the standard. Launched in late 2000, Infuzer is a commercial service specifically designed to overcome these problems and provide a calendar commerce and communication infrastructure¹³.

As with all areas of business, however, the existence of these challenges affords barriers to entry for those companies who grasp the first mover advantage and establish a position of trust and strength within the calendar of their target audience. Don Peppers, the author of seminal works on one-to-one marketing¹⁴, has recognised the value of the calendar as an exceptionally powerful one-to-one sales and marketing channel: "A sure way to make your customers more loyal and valuable is to make

¹⁰ Omnibus Survey, April 2001

¹¹ Carlos Antonini, Internet Co-ordinator, United International Pictures

¹² "The Psychology of Calendars", Dr. Peter Collett, University of Oxford, October 2000

¹³ www.infuzer.com

¹⁴ "The One-to-One Future", Don Peppers & Martha Rogers, 1993 *et al*

their interactions with you absolutely as simple and relevant as possible. And that's exactly what Infuzer is designed to do..."

Examples of companies which are exploiting this new channel already exist: Kalends¹⁵, a Reuters company, has launched a Web service providing information about worldwide dates and events from sport, through entertainment to finance: the site allows users to copy events to their electronic calendar with a single click of the mouse and their goal is that every calendar entry should include direct links for ticket purchases or other related ecommerce opportunities. Sporting Odds¹⁶, a leading betting site, provides its visitors with a calendar of sports events which they can copy to their personal electronic calendar: again, each calendar entry contains a live URL taking the putative punter directly to their betting page. Weather.com¹⁷ is launching a free service providing a continually updated five-day weather forecast for your chosen location copied automatically to your electronic calendar. Their commercial logic is that each calendar entry contains a customised link to a Web page containing a more detailed forecast for the same city, thereby driving traffic to their Web site and generating valuable advertising eyeballs. In addition, they sell third party sponsorship opportunities within the calendar entries themselves.

Making calendar communication and commerce a strategic priority

In recent years there has been increasing talk about so-called multi-channel retailing. With the advent of electronic calendars and their importance to every company at one point or other in the sales cycle, companies should add "the calendar" to the list of channels for which they must develop a consistent strategy, just like print or wireless. As such, the calendar must be integrated into the company's CRM system, particularly in view of the richness of the information derived from calendar entries. What better way to understand your customers than to understand how they spend their time? A cautionary note, however, is called for: given the intimacy of the calendar, it is particularly important for a company only to use permission-based marketing, otherwise it will lose the customer's trust, and with it, access to the calendar.

Clearly, for many sectors where the products or services are integrally linked with time, the calendar should be regarded as *the* most important channel for communication and commerce. Such sectors include: entertainment; travel; conference and exhibition organisers; companies selling renewable subscription services/products; sports and sports-related services such as TV rights and corporate hospitality; financial services for time-sensitive instruments.

An example from the travel sector may serve to illustrate the power of the paradigm:

Imagine the scene. A user browses a travel Web site and adds a provisional itinerary to her electronic calendar. The next day, the calendar communication service prompts her to return to the Web site using the URL in the calendar entry and confirm her booking before the low price fare expires. Once she completes the purchase, the

¹⁵ www.kalends.com

¹⁶ <http://www.sportingodds.com/index.asp?FrSpPg=yes>

¹⁷ <http://www.weather.com/services/>. weather.com is part of The Weather Channel, the world's leading provider of weather information

confirmed itinerary is automatically placed in her calendar. She decides to defer the booking of car hire and hotels for a few days. Later, when checking her calendar, she looks at the itinerary and is reminded of the need to book her car hire and hotel: the relevant URL links are right there in the calendar. The browser is directed to a page personalised to the user's journey, showing Group E cars available for \$99 inclusive. The site already has her journey details, so rather than have to enter the dates and destination of the trip, the system automatically presents a price and a single button to confirm the booking. A few days before her departure, a meeting is cancelled, so she needs to change one leg of her flight. She clicks on the URL in the relevant calendar entry and makes the change on the Web site's booking page. Once confirmed, the itinerary is automatically updated in her calendar and the e-ticket number amended.

"Flight status and alerts alone are unlikely to be enough of an incentive to make a competitive difference between travel agencies... the key competitive differentiator will be the ability to provide integrated services such as ... integrating travel schedule changes into the traveler's business calendar."¹⁸

Conclusion

The advent of the electronic calendar has brought with it a new channel for communication and commerce, one which as yet remains virtually untapped and one which offers an opportunity for gaining strategic advantage. In his recent article "Strategy and the Internet", Professor Michael Porter wrote: "The established companies that will be most successful will be those that use Internet technology to make traditional activities better and those that find and implement new combinations of virtual and physical activities that were not previously possible"¹⁹. Leveraging the electronic calendar should be a core strategic objective for every company selling products or services which are in any way time-dependent, for all others, the calendar should at least be seen as an important channel during the sales process. It is not without significance that Microsoft has identified the calendar, specifically a Microsoft hosted Web-calendar, as one of the core elements of its recently announced ".Net" strategy and next generation technology²⁰ – the resurgence of the Web-calendar, to which we referred earlier. Companies should not wait, however, for the introduction of .Net nor should they limit themselves to one supplier's calendar platform in their battle to gain calendar share. As with all channels, first mover advantage can be critical and the inherent intimacy and stickiness of the calendar will make it particularly difficult for latecomers to dislodge incumbent competitors.

Internet marketing guru Seth Godin²¹ urges companies in the digital age to focus on increasing their share of customer not customer share. In the age of electronic time we would contend that increasing share of the customer's calendar should be the key objective.

¹⁸ "Server-side integration makes for killer mobile applications", © Giga Information Group, September 2000

¹⁹ "Strategy and the Internet", Michael E. Porter, Harvard Business Review, March 2001

²⁰ <http://www.microsoft.com/net/default.asp>

²¹ "Permission Marketing", Seth Godin, 1999