

Mike Parker, Director -

Orange Bus



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Orange Bus was launched seven years ago in Newcastle, by entrepreneurs Julian Leighton and Mike Parker. They named the business after Julian's then orange VW camper van. The business began as a traditional 'design and build' agency, with a focus on website development and data processing.

As it grew outside of the North East, it began adding complimentary services such as user experience, engagement, conversion optimisation and marketing services, which have helped establish Orange Bus as a national player, with a number of high profile UK clients as well as contracts in multiple overseas markets including Switzerland, France, USA, Holland, Norway and Canada. Clients include Phillips, Sage, Pearson, London Councils and Philip Morris. Recently, the business launched a new (e) commerce platform, which it hopes will facilitate UK and international growth over the next few years. Andrew Openshaw caught up with Director Mike Parker to talk about the new service, as well as what life is like at the North East agency.

What opportunities are there for agencies like Orange Bus in the ecommerce market?

People always think about it as being a relatively established market, but that's not actually the case. Amazon was one of the early players, starting out in 1996, so you're less than 20 years into this market. It's still very much in its infancy in terms of the development of the tools, the platforms and the various elements that encompass it. In my mind, every single retailer or every business that wants to sell something, should have an online commerce presence, but do they? Predominantly, no they don't. There are still a number of high street retailers, for example, that have been slow to catch on. Some new and up and coming businesses are getting to grips with it, but ultimately, in my mind, we're still at the early stages of its development. Some of the world's biggest and best known companies didn't exist 20 years ago and they're in this space. If you ask people to name some of the companies that they recognise, they're likely to say Amazon, Ebay etc. and those businesses are all relatively new. Prior to the release of the iPhone in 2007, there wasn't even an app community. That's a massive shift and obviously the impact they've had filters down to companies like us, providing services to businesses trying to emulate this success. So it's created a marketplace for us that, again, didn't exist 20 years ago. But, that marketplace is only going to strengthen, as more companies begin to recognise ecommerce as an integral part of their overall strategy.

Is ecommerce even the right word to describe this market?

There is a movement to try and drop the 'e' from commerce and Orange Bus is very much a part of that movement. There are a few businesses pioneering this idea. Ebay, for example, recently stated that now 'it's just commerce' and they're right – you either sell through your shop or you sell within the online market place – but really, it's all just commerce and segregating it into different silos doesn't make sense anymore. All of the boundaries are blurring in terms of how people engage with products and services. Customers may see an advert on TV or they might walk into a shop or they might buy something via their mobile. At the core of it though, you either have a product or a service which you're trying to sell through different channels.

What does the Orange Bus 'commerce' platform look like?

There are three aspects which underpin our commerce platform: client engagement, customer service and marketing services. Historically, companies typically approach us with a 'build it and they will come' attitude. They only budget for large capital expenditure up-front, to develop an online store, but don't plan for further investment in the tools to get people to visit and engage with the store or converting visitors into customers. We identified an opportunity, therefore, to work alongside clients and help them plan for longer term projects, where the initial build is just step one. With this model, there isn't big capital expenditure upfront, but rather a tiered investment over a number of years, for different aspects of the total 'commerce solution.' In this way, we ensure that both our goals and those of our clients' are aligned – if they succeed, we succeed. Secondly, customer service is one area that is generally abysmal in online stores. There's a disjoint between what the customer experiences and what the online merchant thinks, with 80% of merchants believing they deliver great customer service whilst customers rate this at only 8%. So, our long term relationship with the client is focused on providing them with the tools and knowledge to build strong and profitable customer relationships, online. The third aspect is around marketing services. Typically, at the end of a marketing campaign there is a lengthy process of collecting data and assessing



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the campaign's success. We saw an opportunity to make this a 'real time', semi-automated process. Using our channel attribution model, companies can see the return on investment, in real time, on all aspects of a campaign (SEO, pay-per-click, email marketing, social media, print and TV advertising) enabling them to make adjustments during, rather than at the end of the campaign.

One would assume that it will be consumer facing businesses that predominantly come to you for (e) commerce expertise, is that true?

At first, we anticipate our client base for the commerce platform largely being B2C businesses but I think the service will eventually branch out into B2B as well. Anything where there is a transaction, basically. At the end of the day, B2B companies are still selling something and although the message may be slightly different, the activities that they engage in and the channels they use, are the same. Everyone thinks their business is completely different, or their product or service is unique and therefore it must be sold differently, marketed differently etc. This is part of the reason why we created the platform, being that there are a number of systems and tools that can be brought together and used within any type of business, or for any service or product.

In terms of digital marketing, you could argue that many B2B businesses are just doing digital for the sake of it, is this actually more damaging than not doing it at all?

Doing anything just for the sake of it is always dangerous and you're probably not going to get a great deal of value out of it. Unless you invest the time to understand how it can benefit your customers, as well as your business, and then understand how you could maximize your time to ensure it is being used to create 'mutual value', then it won't work. It's important to remember that anything worth doing in business requires investment, a vision and a large amount of effort and desire, to make it happen. Social media, for example, is all about building a community and B2B companies can benefit from creating a community around their services, because that is one way of positioning themselves as a thought leader; and it reaffirms the brand. All of the touch points that you have must send out the message that you want people to receive. We're a B2B company and we have to work hard to develop relationships and part of that is sending out the right messages. We're a small company, so we have to work on making ourselves attractive to large companies; we're considered as being a cool company so we have work on building a perception of trust around our brand, and so on. If you're going to use digital channels, then it's important that you ensure your



messages are aligned with how you want your brand to be perceived.

You recently opened an office in Sri Lanka, how did that come about? What other plans do you have to expand nationally and internationally?

Creating the commerce platform involved developing software and tools that we didn't have and we required developers to build the platform, yet were struggling to fill positions in the UK to get the project moving at the velocity we wanted it to. It was also creating tension within in our business, being that it wasn't a commercial function, but rather an internal investment. One of our London clients has a team in Sri Lanka and offered us the opportunity to enter the country in partnership with them, and take advantage of their office space, local knowledge etc. so we could have our development

team based there. In terms of further expansion, we do toy with the idea of setting up a London office but the question is always 'Does a regional agency really need a national presence?' I think having someone on the ground in London would be a benefit but at the same time, apart from Sage and TSG, most of our large customers are outside of the North East, or in fact, outside of the UK, so from a day-to-day, client management perspective, we're managing fine being located in Newcastle. During a typical working day we work with a variety of companies, and because we operate in an agile, collaborative way, the day usually consists of a number of meetings, using videoconferencing, with teams in London, Oxford, Switzerland, Norway etc. so the fact that we're in Newcastle doesn't matter. Another office is a possible route to expansion, but is maybe part of a longer term plan. In terms of growth, we expect the commerce platform to

help secure our position in the UK, as well as win us more overseas contracts over the next few years.

Does the North East lack senior level digital and ecommerce talent?

As you get further north, you find fewer large organisations. In the North East you've got maybe Sage, Greggs and a few other notable organisations, but there aren't enough large companies or agencies where you can really get senior level experience in areas such as digital and ecommerce. What you do find however is that there are a lot of people born here who have gained that experience elsewhere and want to return to the region for family reasons or quality of life etc. But ultimately, there aren't enough companies in the North East, that can offer people opportunities to gain good digital and ecommerce



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experience, to create an 'eco-system' of top talent, like you might find in London or Manchester, for example. From our perspective though, the senior people we usually want to hire are those with good agency backgrounds, and the North East has some really good creative agencies, and some really good people. What you do get here is a level of loyalty that you perhaps wouldn't get elsewhere; so if you can create a great environment for people, then you can easily establish that loyalty.

As digital and ecommerce capability becomes more and more embedded within businesses, how will the agency role evolve?

We've always been of the opinion that you shouldn't guard your secrets. By educating clients on areas such as digital marketing or ecommerce, we're not becoming less effective and relevant. What tends to happen is that as one problem is solved, the goalposts move and different solutions emerge that require our expertise. So, it's great if the businesses that we work with start to adopt the things we have taught them and bring people in to do certain jobs that we were initially tasked to do, because we can then offer them the next level of service, thus creating more value for our clients. Commerce, user experience, engagement and conversion optimisation are the big areas we are focusing on now. We're also building a bigger technology team, so we have the capability to work in partnership with more clients on long term projects, delivering innovation and expertise. We've been working with Pearson, for example, for almost three years now, developing a learning platform for GCSE students, and we want to build more sustainable relationships like this.

Despite the UK being labelled a nation of mobile phone 'addicts' the latest Gartner statistics indicate that less than half of UK mobile phone users make purchases via their device. How do you see the m-commerce market evolving over the next few years? What role will Orange Bus seek to play in it?

The 'second screen' experience, which perhaps hasn't really arrived fully in the UK yet, is increasingly important. This idea of syncing marketing messages across multiple platforms, simultaneously, presents a huge opportunity for agencies like us, because they're all just channels and data points that should be working in harmony, requiring actionable activities. Mobile is one area tied into this and there has certainly been a rush to mobile over the last few years. But if you look at mobile from a commerce perspective, it doesn't necessarily work for everyone. It works for the likes of Ebay, Amazon, and Tesco - places where you can buy 'everything' - but a mobile application doesn't always work when you're selling branded goods or services, for example, which people may only buy

three or four times a year. That doesn't warrant an application on someone's phone. Also, a key reason why people haven't adopted mobile devices for purchasing is due to the lack of good, solid mobile user experiences. User experience is a huge part of our business now and we work on a lot of projects involved in designing the right kinds of experiences and thinking about how we can monitor customer interactions and continuously improve the overall experience, to get better results and conversions.

What other trends do you anticipate increased investment in over the next few years?

Big data is another trend and making sense of data is another key part of our service. Amazon and Asos are great case studies in how to use customer data to sell products, but most companies, although they have been collecting data for some time, are not necessarily using it in the best possible way; so this is a big opportunity for data analytics companies and agencies like us, involved in engagement and user experience, to help businesses better understand customer data and use it to improve customer service and sales. With Philips, for example, we're currently working with the male grooming side of the business on conversion optimisation and building communication channels. We're not a traditional marketing and advertising agency coming into digital, but rather a digital agency coming into a traditional agency environment, and we're therefore very metric driven. This analytical approach has become pervasive now; you see more and more analytical people and agencies with analytical expertise, moving into marketing roles, as companies require a better understating of the vast amount of information available to them, to help them make decisions.

You've described Orange Bus as both a cool company and a metric driven company. What is the Orange Bus culture like? Do you still have the original VW Bus?

We started the business with 'hippy ideals' but as we've grown, we created more structure around how we operate, to help facilitate that growth. Structure plays an important part in helping to effectively manage the pressure we're under to deliver for our clients, and ensures that the team is in fact under less pressure. We're still a very young business, only three people are over 40, and culturally we have a fun environment. We've tried to establish a very collegial way of working and we try to do fun things with the team such as Friday beers, snowboarding and go-karting trips etc. We do have the original orange bus but a few years ago Julian upgraded to a 1967 split screen red Volkswagen bus. We're not planning to change the name of the business though!



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