

# Internet strategy: MAO<sup>®</sup> and (r)evolutions

## The MAO<sup>®</sup> Model

With the revolution sparked by the Internet, digital content and high-speed communications, plus the inevitable changes wrought on the notion of copyright, those who create are faced with a real choice about their ultimate goals and motivations. Today they must make a clear decision amongst:

- Financial motives (Money<sup>MAO</sup>)
- Establishing visibility (Awareness<sup>MAO</sup>)
- Conveying a message (Opinion<sup>MAO</sup>)

Awareness can have a favorable impact thanks to related commercial services, but it can also help spread an opinion. Disseminating a message—if the message is sufficiently powerful and galvanizing—can enable a brand to achieve a certain level of awareness and sell products or related services. Finally, financial power can help boost awareness, as well as promote a vision or a message.

The consequence of deciphering the actual motives in play through these three alternatives—Money, Awareness and Opinion—is the need to clarify one's real goals. Indeed, consider the example of music, defined here as an art practiced, necessarily, by artists. If one purports to be conveying a message, as a creator it seems illogical to become overly fixated on steep royalties; rather one would emphasize the widespread dissemination of one's musical creations. If an artist favors awareness, there is a subsequent large-scale dissemination of the material that results when copyright and royalties are sacrificed; however, the artist must wait until some later point in time to trade in on his or her image in some derivative fashion. Finally, those so-called artists for whom the financial aspect is their primary motivation must justify their attachment to royalties by remaining consistent and openly acknowledging their stance, even if it means they may tarnish their reputations as artists. Commercialism is certainly not reprehensible, nor is it despicable. It is a necessity, but one that must simply present itself for what it is.

Through the observation of digital identity, both personal and professional, and the three primary motivating factors described above (Money – Awareness – Opinion), a new model for strategic analysis emerges. It is specific to the Internet and complements proven and recognized strategic analysis models, such as those set forth by Porter, McKinsey and the Boston Consulting Group, which are more particularly adapted to traditional business models that pre-date the Internet age.

We call this model "MAO<sup>®</sup>", for "Money<sup>MAO</sup> Awareness<sup>MAO</sup> Opinion<sup>MAO</sup>".

The model yields three strategy types, which we define as primary. They represent the direct motivation of creators, entrepreneurs and entities through their online presence. These three strategies are:

- Money (seeking financial gain)
- Awareness (increasing visibility)
- Opinion (spreading a message)

These three primary strategies can constitute pure, definitive and ongoing strategies over time or they may be the first steps of compound strategies, which we shall respectively define as secondary and tertiary strategies, depending on whether they occur in two or three phases.

If we assign codes to the three primary strategies, we obtain:

- Money = 1 (Money<sup>MAO</sup>)
- Awareness = 2 (Awareness<sup>MAO</sup>)
- Opinion = 3 (Opinion<sup>MAO</sup>)

This makes it possible to define six types of secondary strategies, each of which consist of two primary strategies:

- Money Awareness = 12 (Money<sup>MAO</sup>) (Awareness<sup>MAO</sup>)
- Money Opinion = 13 (Money<sup>MAO</sup>) (Opinion<sup>MAO</sup>)
- Awareness Money = 21 (Awareness<sup>MAO</sup>) (Money<sup>MAO</sup>)
- Awareness Opinion = 23 (Awareness<sup>MAO</sup>) (Opinion<sup>MAO</sup>)
- Opinion Money = 31 (Opinion<sup>MAO</sup>) (Money<sup>MAO</sup>)
- Opinion Awareness = 32 (Opinion<sup>MAO</sup>) (Awareness<sup>MAO</sup>)

Finally, this coding system results in the definition of six types of tertiary strategies, each of which is composed of the three standard primary strategies:

- Money Awareness Opinion = 123 (Money<sup>MAO</sup>) (Awareness<sup>MAO</sup>) (Opinion<sup>MAO</sup>)
- Money Opinion Awareness = 132 (Money<sup>MAO</sup>) (Opinion<sup>MAO</sup>) (Awareness<sup>MAO</sup>)
- Awareness Money Opinion = 213 (Money<sup>MAO</sup>) (Awareness<sup>MAO</sup>) (Opinion<sup>MAO</sup>)
- Awareness Opinion Money = 231 (Money<sup>MAO</sup>) (Opinion<sup>MAO</sup>) (Awareness<sup>MAO</sup>)
- Opinion Money Awareness = 312 (Opinion<sup>MAO</sup>) (Money<sup>MAO</sup>) (Awareness<sup>MAO</sup>)
- Opinion Awareness Money = 321 (Opinion<sup>MAO</sup>) (Awareness<sup>MAO</sup>) (Money<sup>MAO</sup>)

These 15 strategies (3+6+6) constitute all the strategy types that may be implemented by actors present on the Internet. Each must choose from these 15 possibilities, knowing that any strategy other than the three primary strategies shall be deployed in two or three successive phases. It is also possible to opt for a secondary strategy after having chosen a primary strategy, within the limits of the following options:

- 1->12
- 1->13
- 2->21
- 2->23
- 3->31

3->32

Similarly, it is also possible to opt for a tertiary strategy after having chosen a secondary strategy, within the limits of the following options:

12->123

13->132

21->213

23->231

31->312

32->321

However, the optimal solution is to have clearly chosen one's compound strategy from the start in order to best implement the methods dictated by each of these phases.

### **Pure, Direct and Indirect Strategies**

In the MAO<sup>®</sup> model, a strategy shall be called pure when its ultimate goal is the first and only planned phase (i.e. 1, 2 or 3).

A strategy in the MAO<sup>®</sup> model shall be called direct when its ultimate goal is the last phase of the adopted strategy (for example, for an ultimate goal of 1, the direct strategies would be 21, 31, 231 or 321).

A strategy in the MAO<sup>®</sup> model shall be called indirect when its ultimate goal is not the last phase of the adopted strategy (for example, for an ultimate goal of 1, the indirect strategies would be 12, 13, 123, 132 or 312).

# The MAO Model®

MAO	Primary strategy	Secondary strategy	Tertiary strategy	Description	Example	Ultimate goal	Type of strategy		
Money	1			<b>Sell products/services</b>	Any B-to-B company		Pure		
		12		Recognizable brand	Amazon, LVMH	1	Retroactive		
			123	Well-known executive who gets involved in politics	Nicolas Hulot	3	Direct		
	Awareness	13		Lobby	National Rifle Association	1	Retroactive		
				132	Corporate sponsorship	Rockefeller, Getty	2	Direct	
		2			<b>Build awareness about one's brand</b>	Wikipedia		Pure	
					Brand initially offered for free, then for a price when customer loyalty has been achieved				
			21		Media personality who does publicity, then gets involved in politics	Skype, Arctic Monkeys	2	Retroactive	
			23		213	Artist devoted to a cause	Arnold Schwarzenegger	3	Direct
						Artist devoted to a cause who use their involvement to relaunch their careers	Bono (U2)	3	Direct
Opinion	3		231	<b>Spread a message</b> (philosophical, political, religious, charitable, cultural, etc.)	[none cited out of prudence]	1	Direct		
				Cult	Any political party or religion		Pure		
		31		Cult that welcomes media coverage	Church of Scientology	1	Direct		
	32		312	NGO	Raelians	3	Retroactive		
				Movement that builds its reputation then becomes a commercial service	Red Cross	3	Retroactive		
			321		Kazaa	3	Retroactive		
				No intermediate strategy (middle)					

MAO® Laurent RENARD "MAO® Model"

## Benefit and Practical Application of the MAO® Model

Just like classic strategic analysis tools (Porter, McKinsey or Boston Consulting Group), the MAO® model makes it possible to identify the:

- Strategy and phase of one's operations
- Strategy and phase of one's competitors

at any given moment (T1). It then becomes useful to compare one's strategy (e.g. type 21, still in phase 2) with those of one's competitors, which one is assessing. They may be:

- Identical and in the same phase (type 21, phase 2)
- Identical, but in different phases (type 21, phase 1)
- Different, but in a similar phase (type 12, phase 2)
- Different and in a different phase (type 12, phase 1)

These similarities and differences must be evaluated to determine whether they are profitable to the company conducting the analysis and, if applicable, what strategic changes should be made to best achieve one's objectives based on the positioning of one's competitors.

It is also useful to perform the same analysis over a strategic timeframe (T2) that is meaningful for the business sector in question (two to five years) and based on one's projected strategy and that of one's competitors over this time horizon.

Any strategic reflection meant to result in a concrete action plan must strive to:

- Enable a transition from the T1 strategy type to the T2 strategy type while best accomplishing the goals defined for one's business
- Prevent, as much as possible, one's competitors from achieving their target strategies by countering their initiatives as much as possible

The MAO® model becomes more powerful and more refined when associated with other, more traditional factors, such as:

- Relative market share (leader, number two, niche)
- Maturity of the business sector (inception, growth, maturity, decline)
- Type of operations (B-to-B, B-to-C, B-to-C-to-B, etc.)

which make it possible to refine the thought process so that it most closely reflects actual, given limitations.

In the previous MAO® table, the "Ultimate goal/Frequency" column indicates, for each MAO® compound strategy type, the ultimate goal being sought in decreasing order of frequency of occurrence. For example, for MAO® strategy type **21**, the goal "Money<sup>MAO</sup> (1)" appears as an ultimate goal pursued more frequently than "Awareness<sup>MAO</sup> (2)".

It is now possible to establish:

- A list of possible MAO<sup>®</sup> strategies for each type of business (for each professional activity category, list the logical choices from the 15 MAO<sup>®</sup> strategy types)
- A list of the most effective MAO<sup>®</sup> strategies for each type of business (create a quantified ranking of the performance of the MAO<sup>®</sup> strategies for each type of business)
- A list of MAO<sup>®</sup> coefficients evaluated for each type of business (in particular, those observed in the most effective companies in their sectors)

### Classification of MAO<sup>®</sup> Strategies

For practical reasons, we must establish a system for classifying the MAO<sup>®</sup> strategies. We suggest underlining the ultimate goal and using bold characters to indicate the current phase. This yields the following classification:

- MAO<sup>®</sup> 1 represents a pure strategy of the Money<sup>MAO</sup> type
- MAO<sup>®</sup> 2**1** represents a secondary compound strategy with 1 (Money<sup>MAO</sup>) as the ultimate goal; it is currently in phase **2** (Awareness<sup>MAO</sup>)
- MAO<sup>®</sup> 2**3**1 represents a tertiary compound strategy with 1 (Money<sup>MAO</sup>) as the ultimate goal; it is currently in phase **3** (Opinion<sup>MAO</sup>)

### MAO<sup>®</sup> Coefficients

For each of the three possible dimensions of a MAO<sup>®</sup> strategy (Money<sup>MAO</sup>, Awareness<sup>MAO</sup> or Opinion<sup>MAO</sup>), it is possible to assign a coefficient.

For a tertiary compound strategy (e.g. MAO<sup>®</sup> 1**2**3), two coefficients (e.g. 2 and 3 for MAO<sup>®</sup> 1**2**3) shall be expressed according to their estimated contribution to the ultimate goal (e.g. 1 for 1**2**3).

For a secondary compound strategy (e.g. MAO<sup>®</sup> 1**2**), a coefficient (e.g. 2 for MAO<sup>®</sup> 1**2**) shall be expressed according to its estimated contribution to the ultimate goal (e.g. 1 for 1**2**).

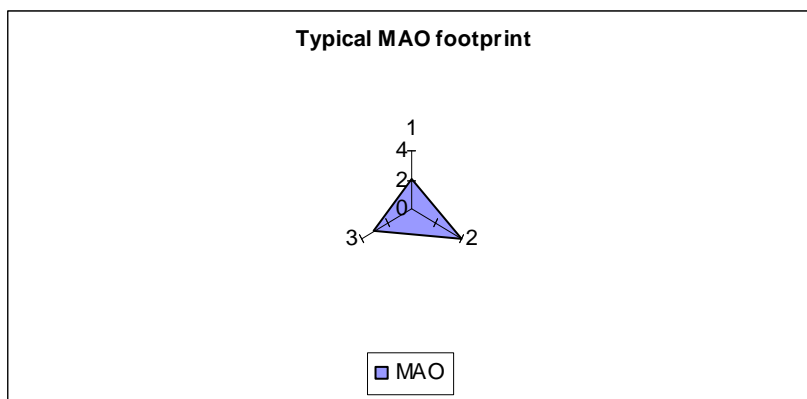
For a pure strategy (e.g. MAO<sup>®</sup> 1), the ultimate goal is, of course, the fundamental strategy type (e.g. 1), therefore the sole coefficient will always have the value of 1. For example, in the specific case of a MAO<sup>®</sup> 1**2**3 strategy with 1 (Money<sup>MAO</sup>) as the ultimate goal, one can assign the following coefficients for **2** (Awareness<sup>MAO</sup>) and **3** (Opinion<sup>MAO</sup>):

- 1 for 1 (Money<sup>MAO</sup>)
- 5 for **2** (Awareness<sup>MAO</sup>)
- 4 for **3** (Opinion<sup>MAO</sup>)

To characterize this strategy type and quantify it specifically with regard to its coefficients (which one may, following convention, rank on a scale of 1 to 9), one can designate the strategy in a unique way using the following format: MAO<sup>®</sup> 123 (1,5,4)

## MAO<sup>®</sup> Footprint

Working from the MAO<sup>®</sup> classification, it is possible to establish a MAO<sup>®</sup> footprint where each of the three components are plotted on the axes of a trihedral grid. By convention, component 1 (Money<sup>MAO</sup>) is positioned along the 0° axis, component 2 (Awareness<sup>MAO</sup>) is located on the 120° axis and component 3 (Opinion<sup>MAO</sup>) is situated on the 240° axis. (An alternative way to remember: beginning at the top at the 0° axis, proceed clockwise to add the other components.) The MAO<sup>®</sup> coefficients appear at the end of the axis for each component and the current phase can be illustrated by using a bold character for the component corresponding to that phase.



## In-depth Exploration of the 15 Strategy Types in the MAO<sup>®</sup> Model

We shall now examine in detail each of the 15 strategy types in the MAO<sup>®</sup> model. We will describe each case and provide some concrete examples from the current environment.

### Three Primary Strategies

#### MAO<sup>®</sup> 1 - Money<sup>MAO</sup>

This is the primary Internet strategy that first comes to mind, but it is not necessarily the most widespread of the primary strategies.

It pertains to everything that is sold directly over the Internet, whether physical products, digital products or services.

Given that there is no subsequent secondary or tertiary phase, either to build awareness or convey a message, this strategy is often used by B-to-B businesses or specialized B-to-B marketplaces.

Examples: Faurecia, Eiffage and Rexel, traditional B-to-B companies.

#### MAO<sup>®</sup> 2 - Awareness<sup>MAO</sup>

This is the primary Internet strategy that one thinks of last; however it is destined to grow significantly, particularly with the growing acknowledgement of the importance of having a digital identity and the increasing prevalence of social networks.

It covers anything that seeks to build awareness, whether it's personal awareness or professional awareness.

Given that there is no subsequent secondary or tertiary phase, either to sell something or convey a message, this strategy is often used to introduce free products (often digital content) or services, especially those generated through the collaborative methods enabled by Web 2.0.

Examples: Wikipedia and Wikio, or, for an individual, Loïc Le Meur.

### **MAO<sup>®</sup> 3 - Opinion<sup>MAO</sup>**

This is certainly the most familiar primary Internet strategy, notably with the exponential development of blogs in recent years.

It applies to everything that endeavors to promote a cause (philosophical, political, religious, cultural, etc.).

Given that there is no subsequent secondary or tertiary phase, either to sell something or build awareness, this strategy is often used by political parties, religions and, more generally, by everyone who promotes any kind of cause.

Examples: UMP, Catholic Church, Buddhism.

## **Six Secondary Strategies**

### **MAO<sup>®</sup> 12 - Money<sup>MAO</sup> Awareness<sup>MAO</sup>**

This secondary Internet strategy is widespread; it represents a classic element of the transition from traditional society to the Internet.

It applies to companies that launch a commercial Internet site then also use the Internet to publicize their products and promote their brand.

Given that there is no tertiary phase to convey a message, this strategy is often used (though it is not the only one used: cf. Amazon) by B-to-C businesses that own a brand.

It consists of two successive phases that can later be implemented simultaneously.

Examples: LVMH, L'Oréal, Amazon.

### **MAO<sup>®</sup> 13 - Money<sup>MAO</sup> Opinion<sup>MAO</sup>**

This secondary Internet strategy is growing more and more within economically advanced companies.

It applies to commercial businesses that portray their attempts to defend or promote their interests in the form of a message or cause that at least appears to be worthy.

Given that there is no tertiary phase to build awareness, this strategy is often used by lobbies.

It includes two successive phases that can later be deployed simultaneously, sometimes in the form of two distinct entities.

Examples: National Rifle Association, FNSEA (French Federation of Agricultural Worker Unions), Fédération Bancaire Française (French Banking Federation).

### **MAO<sup>®</sup> 21 - Awareness<sup>MAO</sup> Money<sup>MAO</sup>**

This secondary Internet strategy is becoming increasingly common in the wake of the undeniable, burgeoning demand for free goods. It is also a response to the need to distinguish one's products or services from the masses since supply options have mushroomed thanks to Internet distribution channels.

It involves commercial businesses that initially offer products or services for free, then begin charging a fee once customer loyalty has been established.



Given that there is no tertiary phase to spread a message, this strategy is often used by B-to-C or B-to-C-to-B companies.

It includes two phases that can eventually coexist simultaneously for different lines of products or services.

Examples: Skype, Facebook, Google.

### **MAO<sup>®</sup> 23 - Awareness<sup>MAO</sup> Opinion<sup>MAO</sup>**

This secondary Internet strategy has developed in the last few years along with the increasing power of the media and the growing importance of awareness.

It applies primarily, but not solely, to individuals who develop their personal awareness, then promote a cause.

Given that there is no tertiary phase to sell something (because what makes it possible to promote the cause in this case is not money earned in some previous phase, but solely the visibility established), this strategy is often used by recognized artists or intellectuals who fight for a cause.

It consists of two phases that may then coexist and feed one another.

Example: Bono (U2).

### **MAO<sup>®</sup> 31 - Opinion<sup>MAO</sup> Money<sup>MAO</sup>**

This is a secondary Internet strategy that is not yet very common, but it is growing steadily.

It involves primarily, but not solely, organizations or individuals who promote a cause so they may later derive financial gain from it.

Given that there is no tertiary phase to build awareness (because what makes it possible to make money in this case is not the awareness acquired in some previous phase, but solely the power of the message), this strategy is often used by discreet religious cults whose message is highly appealing.

It consists of two phases that may subsequently coexist and support one another.

Example: Church of Scientology.

### **MAO<sup>®</sup> 32 - Opinion<sup>MAO</sup> Awareness<sup>MAO</sup>**

This secondary Internet strategy is somewhat common; its use remains relatively stable.

It essentially concerns organizations that promote a cause to then develop their awareness.

Given that there is no tertiary phase to make money (because what makes it possible to spread the message here is not financial gain acquired during some previous phase, but the power of the message), this strategy is often used by charitable groups and non-profits.

It consists of two phases that may then coexist and feed one another.

Example: Red Cross, Doctors Without Borders, UNICEF.

## Six Tertiary Strategies

### **MAO<sup>®</sup> 123 - Money<sup>MAO</sup> Awareness<sup>MAO</sup> Opinion<sup>MAO</sup>**

This tertiary Internet strategy shifts from the material to the renowned to the message.

It primarily describes people who start by selling, then build their awareness, then ultimately defend a cause.

This strategy is often used by well-known executives who get involved with a cause.

It consists of three phases that may subsequently coexist and feed into one another.

Example: Nicolas Hulot, Edouard Leclerc

### **MAO<sup>®</sup> 132 - Money<sup>MAO</sup> Opinion<sup>MAO</sup> Awareness<sup>MAO</sup>**

This tertiary Internet strategy is mainly implemented by powerful international groups.

It pertains essentially to organizations that start out by selling, then promote a cause and ultimately build their own visibility.

This strategy is often used by businesses that offer corporate sponsorships.

It consists of three phases that may ultimately coexist and reinforce one another.

Example: McDonald's, Sandoz, Air France

### **MAO<sup>®</sup> 213 - Awareness<sup>MAO</sup> Money<sup>MAO</sup> Opinion<sup>MAO</sup>**

This tertiary Internet strategy shifts from the renowned to the material to the spiritual.

It is used primarily by people who build their awareness, then trade in on it, and ultimately get involved to promote a cause or a vision of society.

This strategy is often used by well-known celebrities who do publicity, then get involved in politics.

It consists of three phases that, in many cases, cannot ultimately coexist because they are antithetical to one another.

Example: Arnold Schwarzenegger

### **MAO<sup>®</sup> 231 - Awareness<sup>MAO</sup> Opinion<sup>MAO</sup> Money<sup>MAO</sup>**

This tertiary Internet strategy goes from renowned to spiritual, then lands in the realm of the material.

It applies mainly to celebrities who have a certain level of awareness and promote a cause so that they can later sell something (or begin selling something again).

This strategy is often used by known artists who use their involvement with a cause to jumpstart their careers.

It consists of three phases that may subsequently coexist and feed into one another.

Example: Régine

### **MAO<sup>®</sup> 312 - Opinion<sup>MAO</sup> Money<sup>MAO</sup> Awareness<sup>MAO</sup>**

This tertiary Internet strategy moves from spiritual to material and then to the renowned.

It describes organizations or individuals who fight for a cause, then make money through their message to ultimately develop their awareness.

This strategy is often used by well-known cults.

It consists of three phases that may then coexist and strengthen one another.

Example: Raélians

### **MAO<sup>®</sup> 321 - Opinion<sup>MAO</sup> Awareness<sup>MAO</sup> Money<sup>MAO</sup>**

A tertiary Internet strategy that goes from spiritual to renowned, then ends up in the realm of the material.

It involves organizations that promote a cause then increase awareness to ultimately sell.

This strategy is often used by groups that lobby for a cause, then become well-known, then end up selling (by choice or for survival).

It consists of three phases that may subsequently coexist and strengthen one another.

Example: Kazaa

**MAO<sup>®</sup>, Values and Hierarchy**

None of the MAO<sup>®</sup> components themselves embody any value; however, each of them may, depending on the vector "expressing" it, be positive or negative. The table below illustrates this point.

MAO <sup>®</sup>	Positive	Negative
Money <sup>MAO</sup>	Warren Buffett	Paris Hilton
Awareness <sup>MAO</sup>	Dalai Lama	Bin Laden
Opinion <sup>MAO</sup>	Gandhi	Hitler

Values                      Laurent RENARD "MAO<sup>®</sup> Model"

**Ratios and MAO<sup>®</sup> Footprint**

The following table illustrates the MAO<sup>®</sup> coefficients, significant ratios and corresponding footprints for the secondary and tertiary strategies.

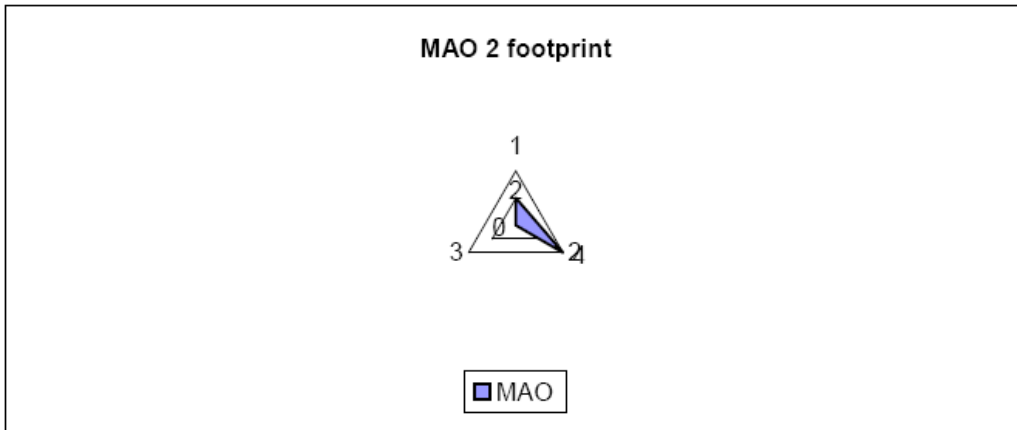
For a secondary strategy, there are two coefficients, based on the two dimensions of the strategy, and one significant ratio for each of the six secondary strategy types.

For a tertiary strategy, there are three coefficients, based on the three dimensions of the strategy, and three significant ratios for each of the six tertiary strategy types.

The MAO<sup>®</sup> footprints, which are unique for each of the 15 strategy types and reinforced by the specificity of each coefficient, provide a visual and graphic illustration of the compound MAO<sup>®</sup> strategies.

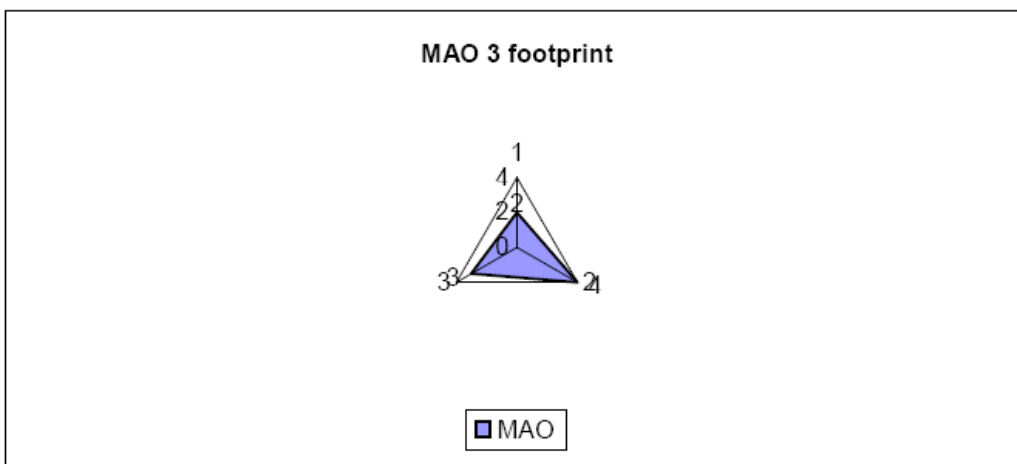
MAO secondary strategy	M/A	M/O	A/O
12	X		
13		X	
21	X		
23			X
31		X	
32			X

MAO 2 footprint	M	A	O
	2	4	0



MAO tertiary strategy	M/(A+O)	A/(M+O)	O/(A+M)
123	X	X	X
132	X	X	X
231	X	X	X
213	X	X	X
312	X	X	X
321	X	X	X

MAO 3 footprint	M	A	O
	2	4	3



**Footprint**

**Laurent RENARD "MAO® Model"**

**Basic Assessment of Two Alternatives for Publishing a Book: Traditional Publishing House or Online Self-Publication**

Let us examine the two possibilities available to a writer who wants to publish a book. If the author chooses a traditional publisher, he estimates he will be able to sell 5,000 printed copies, but will not be able to offer any free copies in electronic form (because this is strictly prohibited by the publisher) to some of his acquaintances both to make them happy (notion of "profitable gift", which will be explored later) and to ensure extensive circulation among their own acquaintances. If he self-publishes using a site like lulu.com, he will be able to distribute 25,000 copies in electronic form, thus ensuring greater overall circulation. However, he will only sell 1,000 paper copies, thus losing in financial revenue what he hopes to gain in awareness.

	Paper copies	Electronic copies	Total copies (A+O)	Revenue = € 3/paper copy (M)
Traditional publisher (A)	5 000	0	5 000	15 000
lulu.com (L)	1 000	25 000	26 000	3 000
L-P difference	-4 000	25 000	21 000	-12 000

$$\frac{M}{A+O} = \frac{-12\,000}{21\,000} \text{ € copy}$$

$$M = -0,57 \text{ A+O}$$

1 copy	=	0,57	€
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12 000 €	=	Difference of x% in annual income
	=	Y conferences
	=	etc.

**Self-Publication**      **Laurent RENARD "MAO® Model"**

At € 3 in revenue for the author per paper copy sold, the table above reveals a loss of income of € 12,000 for a circulation increase of 21,000 copies (electronic) if the author chooses self-publication, where each electronic copy costs € 0.57. If the author believes that the 21,000-copy boost in circulation will have a more powerful indirect impact (in the form of an increase in annual salary, conference appearances and so on thanks to this higher dissemination), then the theoretical loss in income of € 12,000 associated with self-publishing is the natural choice.

This strategy can be likened to the MAO® 21 strategy, which could morph into MAO® 213.

Moving beyond this basic example and thinking in more general terms, a concept such as Lulu.com could rather quickly take over a significant share of the traditional publishing business, depending on the consequences of the "long tail" concept, which we will explore later. Lulu.com enables a writer to:

- Convert a Word document to a modifiable PDF file
- Quantify the cost of producing/distributing a hard copy book and choose the profit margin to be added to the cost to define the final end customer price
- Authorize the sale or free download of the book in electronic form
- Sell paper copies online via Lulu as well as Amazon)
- Be part of an active, innovative community

Just as in music, this model is particularly useful for:

- Unknown authors who will then benefit from the "long tail" effect

or, on the contrary,

- Authors who are already well-known who have little need for publisher's promotional efforts

### Money-earning Methods Based on Chosen Internet Goal, According to the MAO<sup>®</sup> Model

Among all the forms of money earning that exist on the Internet, i.e. that which can be sold (Money<sup>MAO</sup>) when one is represented on the Internet, let us examine buyer motivation for each of them by applying the MAO<sup>®</sup> model.

While the financial dimension, Money<sup>MAO</sup>, is the most common, it should be noted that the Awareness<sup>MAO</sup> and Opinion<sup>MAO</sup> dimensions are also well represented, with the latter two occurring at nearly equal frequency. This makes it possible to choose the best mechanisms on the Internet to apply one's strategy, by integrating the specific characteristics of each of them.

Ways to Earn Money on the Internet (cash in)	Goal of person who is buying (cash out)		
	Money <sup>MAO</sup>	Awareness <sup>MAO</sup>	Opinion <sup>MAO</sup>
Advertisement	1	2	3
Editorial advertising	1	2	3
Content syndication	1	2	3
Affiliations	1	2	3
Gifts		2	3
Conversion	1		3
Acquisition	1	2	
Introduction on the stock market	1		3
Investment and partnership	1		
Services	1		
E-commerce	1		
Bonus, membership and licenses	1		
Virtual goods	1	2	3
Data sales	1	2	3

**Money Earning**

Laurent RENARD "MAO<sup>®</sup> Model"

For the Money<sup>MAO</sup> dimension only, one may choose the following mechanisms:

- Services
- Bonuses, membership and license fees
- Investment and partnership
- E-commerce

For the Awareness<sup>MAO</sup> and Opinion<sup>MAO</sup> dimensions only, one may choose the following mechanism:

- Gifts

For the Money<sup>MAO</sup> and Opinion<sup>MAO</sup> dimensions only, one may choose the following mechanisms:

- Conversion
- Public offering (stock market)

For the Money<sup>MAO</sup> and Opinion<sup>MAO</sup> dimensions only, one may choose the following mechanism:

- Acquisition

For the three dimensions, Money<sup>MAO</sup>, Awareness<sup>MAO</sup> and Opinion<sup>MAO</sup>, one may choose the following mechanisms:

- Advertisement
- Editorial advertising
- Content syndication
- Affiliations
- Virtual goods
- Data sales

Depending on whether one's strategy is primary, secondary or tertiary, one can:

- Choose the mechanisms that include all the phases of one's own strategy and use the same mechanism as the phases change (e.g. advertisement and/or editorial advertising for all strategy types, whether they are primary, secondary or tertiary). This makes it possible to stick with the same mechanisms, optimize them and enjoy more leverage when negotiating buying terms.
- Choose one's mechanisms based on the phase at hand and switch mechanisms when the strategy shifts into another phase (e.g. content syndication, then affiliations, and then services for the MAO® 231 strategy). This makes it possible to multiply one's communication channels to optimize the impact and reach a greater number of targets.

**MAO<sup>®</sup> and the Freeconomy**

Free goods and services will become the norm rather than the exception. A time will come very soon when costs will be so low that it will no longer be profitable to bill them. Moreover, for consumers there is a wide gulf between "very inexpensive" and "free", which is well known to all marketers and psychologists. "Free" may be a profitable deal (because it's psychologically irresistible) and "inexpensive" may be...nothing at all (because it's less appealing).

The following table lists the various forms that "free" may take to enable companies that offer free goods to their users to make some money on their products or services.

Free mechanism (Freeconomy)	Application	Possible MAO <sup>®</sup> motivation (and/or)
<b>Advertisement</b>	Banners, key words financing a site	Money Awareness Opinion = 123 (Money <sup>MAO</sup> ) (Awareness <sup>MAO</sup> ) (Opinion <sup>MAO</sup> )
<b>Basic</b>	Basic version of software offered for free, professional version for a fee	Money Awareness = 12 (Money <sup>MAO</sup> ) (Awareness <sup>MAO</sup> )
<b>Community sharing</b>	Wikipedia	Awareness Opinion = 23 (Awareness <sup>MAO</sup> ) (Opinion <sup>MAO</sup> )
<b>Related product available for free</b>	Music can be downloaded for free, concert charges a fee	Money Awareness = 12 (Money <sup>MAO</sup> ) (Awareness <sup>MAO</sup> )
<b>Profitable gift</b>	Gift of digital content or information (networking)	Money Awareness Opinion = 123 (Money <sup>MAO</sup> ) (Awareness <sup>MAO</sup> ) (Opinion <sup>MAO</sup> )
<b>Gift</b>	Any gift (digital product, service or content) (altruism)	[ Awareness Opinion = 23 (Awareness <sup>MAO</sup> ) (Opinion <sup>MAO</sup> ) ]?

Free Laurent RENARD "MAO<sup>®</sup> Model"

The next issue to address is the matter of transforming awareness (ranking in search engines, etc.) into attention (traffic), then into actual revenue (advertising). Because absorption capacity is limited (notably for awareness and attention), there is a bonus for the first one to use the new business models (there is little chance we shall see another Google, Amazon, etc.).

**Genesis of the Concept of "Profitable Gift" (MAO<sup>®</sup> Impact)**

Internet and digital technology have both made it possible, for the first time in history, to give away goods without impoverishing oneself. Indeed, before, when you gave away a photo or record, you were making another person happy, but you no longer had the item for yourself. Today you can give away text, images, photos and video, while retaining them for personal use, which further heightens your desire to give them to others. But even more than the fact that you lose nothing in the exchange,



gift giving actually becomes profitable. Beyond the pleasant oxymoron, this amounts to a profoundly different new order, whose consequences we have yet to fully measure. It does, however, bode well for the future of humankind and even more so for humanism, which is our future. It is a "profitable gift" not only because it does not impoverish you, but because it enhances your visibility (Awareness<sup>MAO</sup>) among those who receive the gift. It also enables you to send a message if you wish (Opinion<sup>MAO</sup>) and, in a way, makes the recipient "indebted" to you. These are fundamental points in developing your personal network. This construct may also, over time, allow you to transform this awareness into financial gain (Money<sup>MAO</sup>), thereby completing the trilogy of the MAO<sup>®</sup> model.

This profitable gift can be interpreted on two different levels, which will be welcomed to varying degrees by their recipients. One can liken this to the philosophy of the following proverb: "Give a man a fish and he'll eat for a day; teach him to fish and he'll eat forever." If you give away text, music, photos or video, you are giving away a fish; thus you are providing one-time fulfillment, in addition to creating an unhealthy dependence. If you give away software, Internet links to sites of value, tools and methods for researching and discriminating, you will teach recipients how to fish. Moreover—and more importantly—you are giving the gift of autonomy, which is the best thing one can offer for the receiver and the giver.

### **Interest of MAO<sup>®</sup> Strategies by Content Type**

In light of this detailed examination of changes and their likely impact on the different types of content, let us now return to our eight content types and analyze trends through the filter of the MAO<sup>®</sup> model.

It becomes evident that the Money<sup>MAO</sup> strategy will be used less often in the future for digital content and physical reproductions of paintings; will remain stable for formulas, brands and sculptures; and will become more prevalent for the digital reproduction of paintings.

The Awareness<sup>MAO</sup> and Opinion<sup>MAO</sup> strategies will remain stable for physical art and low-tech pieces, but will be used more frequently for all digital content (including digital reproductions of paintings), innovations and brands.

The following table summarizes these trends. It is a tool that makes it possible to understand the sensitivity of each content type to the changes in notions of copyright, copies and responsiveness of existing pricing models brought about by the Internet and digital technology. It helps to:

- Choose
- Order
- Weight

the Money<sup>MAO</sup>, Awareness<sup>MAO</sup> et Opinion<sup>MAO</sup> options of a MAO<sup>®</sup> Internet strategy.

		Money <sup>MAO</sup>	Awareness <sup>MAO</sup>	Opinion <sup>MAO</sup>
Content Digital	Text, music, photo, video	-	+	+
	Software	-	+	+
Formula	Innovation (medicine, high- tech)	=	+	+
	Low-tech part (spare part, refill, consumables)	=	=	=
Brand	Clothing, jewelry, luggage	=	+	+
Art	Painting (digital reproduction - meaning)	+	+	+
	Painting (real reproduction - beauty)	-	=	=
Non-digital (original)	Sculpture (real reproduction - beauty)	=	=	=

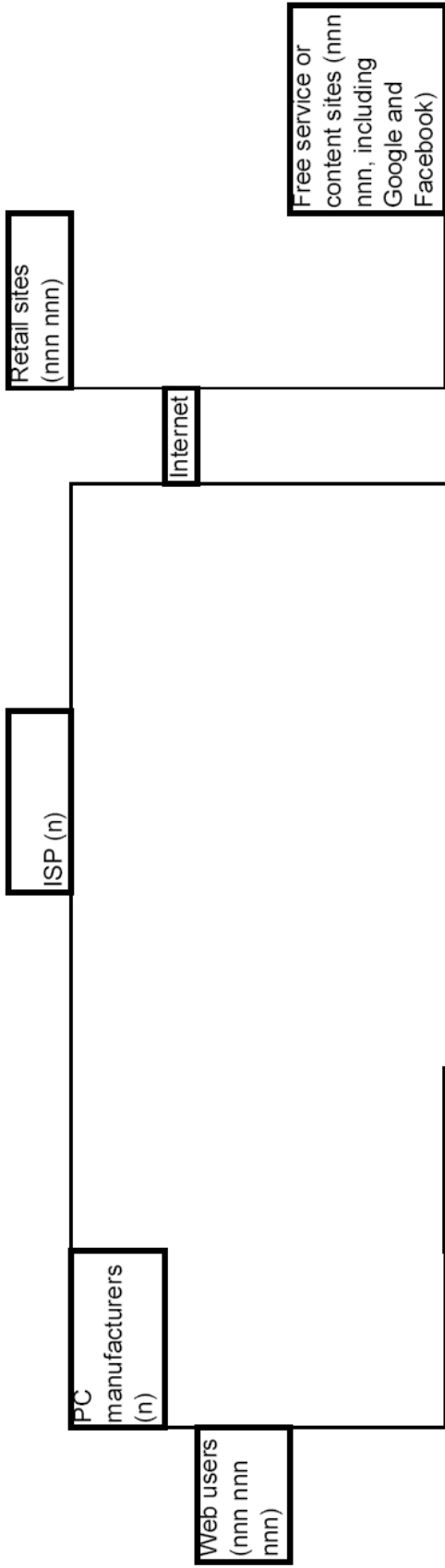
ContentDevelopments

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## **Current Stakes and Major Changes to Come**

Having addressed the importance of the Internet advertising market and the potentially huge growth in this market through the development of Internet access via mobile phones, the following table examines the changes planned in the mobile phone offer over the coming months, especially those pertaining to Internet access and VoIP (voice over Internet).

Traditionally (see "Generic" model in table), companies with products to sell reach out to potential consumers via profilers who determine a target and secure a communication channel to disseminate an advertising message. The new value chain, which has been used in the press (see "Press" model in table) for a few years, builds in the cost of the communication method (cost of printing and distributing a paper + cost of creating editorial content) and offers the paper to readers for free. This change in the value chain, which is on the brink of becoming the norm in print media, could soon be applied to mobile telephones (see "Mobile" model in table), in financing either the vector of communication (the mobile phone itself) or the cost of advertisements.



Key factors for success

MoneyMAO, AwarenessMA  
O

MoneyMAO, AwarenessMA  
O

MoneyMAO, AwarenessMA  
O

MoneyMAO, AwarenessMA  
O

MoneyMAO, AwarenessMA  
O

AwarenessMAO, OpinionMAO

Resources

Sales

Sales

Sales/subscript ion

Subscription

Subscription

Sales

Advertising

Costs (type, structure)

Direct, marginal

Direct, marginal

Direct, marginal

Structure, fixed/tiered

Structure, fixed/tiered

Direct, marginal

Structure, fixed/levels

Stakes  
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## **Comparative Impact of Digital Technology on Content**

In the following table, we divide all content into eight categories. The first three and the sixth category are digital; the others are physical.

- Text, music, photo, video
- Software
- Innovation (medicine, high-tech)
- Low-tech part (spare part, refill, consumables)
- Clothing, jewelry, luggage
- Painting (digital reproduction - meaning)
- Painting (real reproduction - beauty)
- Sculpture (real reproduction - beauty)

For each of these content types, we analyze the impact of the various issues related to unauthorized reproduction in order to measure the consequences on the products' longevity and profitability in a digital universe that is spreading inexorably via the Internet.

This table is a forecasting tool and strategic planning resource for every business related to these content types.

	Difference between original and copy	Risk of end user experiencing accident during use	Cost of reproduction/original	Negative impact on end user's image	Difference in intrinsic value for end user	Conspicuousness of quality difference for end user	Effectiveness of anti-copying efforts	Interest or development into an advertising vector	Effectiveness of an on-board advertising registration
Text, music, photo, video software	None None	None None	None None	None None	None None	None None	Low Low	High High	High High
Innovation (medicine, high-tech)	Depends on the quality of the copy	Depends on the quality of the copy	Low	Low	Depends on the quality of the copy	Depends on the quality of the copy	High	Low	None
Low-tech part (spare part, refill, consumables)	Depends on the quality of the copy	Depends on the quality of the copy	Low	Low	Depends on the quality of the copy	Depends on the quality of the copy	Average	Low	None
Clothing, jewelry, luggage	Depends on the quality of the copy	Low	Average	High	Depends on the quality of the copy	Depends on the quality of the copy	High	Low	Low
Painting (digital reproduction - meaning)	Digital: high - Meaning: low	None	Low	High	Digital: high - Meaning: none Realness: high - Beauty: depends on quality of the copy	Digital: high - Meaning: low	Low	High	High
Painting (real reproduction - beauty)	Realness, Beauty: depends on quality of the copy	None	Average	High if copy recognized	Realness: high - Beauty: depends on quality of the copy	Realness, Beauty: depends on quality of the copy	High	Low	Low
Sculpture (real reproduction - beauty)	Realness, Beauty: depends on quality of the copy	None	Average	High if copy recognized	Realness: high - Beauty: depends on quality of the copy	Realness, Beauty: depends on quality of the copy	High	Low	Low

	Perceived value of the recognized copy/value of the original	Importance of being the first to produce the original	Distribution cost	Frequency of consumption	People who benefit/suffer from the elimination of copyrights	Development budget/quality ratio	Product's value to humanity	B-to-C copy	Doubt cast on pricing model
Text, music, photo, video software	High High	Average High	None None	Daily Daily	High Average	Low Average	Average High	Personal Personal	High High
Innovation (medicine, high-tech)	Average	High	Average	Daily to annually	Average	High	High	Business	Average
Low-tech part (spare part, refill, consumables)	Average	Average	Average	Daily to annually	Average	Low	Average	Business	Average
Clothing, jewelry, luggage	Low	Average	Average	Monthly to annually	Average	Low	Low	Business	Average
Painting (digital reproduction - meaning)	Low	Low	None	Annually	High	Low	Low	Personal	High
Painting (real reproduction - beauty)	Average	Low	Average	Annually	High	Low	Low	Business	Low
Sculpture (real reproduction - beauty)	Average	Low	Average	Annually	High	Low	Low	Business	Low

Copyright  
Laurent RENARD "MAO® Model"

**Re-examining the Notion of Art and its Monetary Value through MAO®**

The three motivations for purchasing a work of art, and therefore the reasons for the very existence of the art market, are, whether conscious or not:

- Financial gain (Money<sup>MAO</sup>): one hopes to make a profit when one resells the work or to get a tax benefit (lowering taxable income or acquiring transferable goods exempt from all taxes). This motive is at work when people are worried about buying a piece at "market price" or discovering new artists whose work is under-valued.

- Ego boost (Awareness<sup>MAO</sup>): one shows outer signs of one's financial success in the name of social climbing by trying to associate oneself with a certain culture. Art is seen as a social door opener which adds more soul while perhaps continuing to earn money. This motivation can be observed when people insist on purchasing the art of known artists. One way to identify people motivated by financial gain (Money<sup>MAO</sup>) or an ego boost (Awareness<sup>MAO</sup>) is to find out whether they still like a piece that they believed to be one-of-a-kind when they learn that it is one of 3,000.

True sensitivity to artistic expression (Opinion<sup>MAO</sup>), which is divided into two groups:

- **Meaning** speaks to people for whom the mere power of the message is important beyond all aesthetic qualities. This group makes no distinction between an original and a copy (digital or otherwise) because the power of the message is the same.
- **Beauty** touches people for whom aesthetics and the emotions conveyed are primordial, beyond any analysis of meaning. The majority of these individuals do not distinguish between an original and a copy because the quality (high-resolution digital photo of a painting) still imparts the emotional power of the original. Those who assert that only the original has this emotional power must be capable of distinguishing an original from a copy (such as a painting or copy of a painting, for example) to be truly credible—which less than 1% of people can do.

The current system for assigning value to art, which is based on the concept of originals and reproductions (with the original being very expensive because it is unique), will be overturned by the arrival of the digital world, where the notion of original disappears (see following table).

Motivation when Buying Art		Impact of digital	
Financial gain (Money <sup>MAO</sup> )		High	
Ego boost (Awareness <sup>MAO</sup> )		High	
Artistic sensitivity (Opinion <sup>MAO</sup> )	Meaning	Low	
	Beauty	Copy (digital) accepted	Low
		Original only	High

MotivationArt

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And yet, as we saw above, the arrival of the digital age can only be contested for reasons not related to the pure appreciation of art in all its nobility.