14 Trends No Marketer Should Ignore

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On Tuesday, Seth Godin, author of bestselling books and agent of change presented an informative session call 14 Trends No Marketer Should Ignore. This enthusiastic and informative presentation, sponsored by SEMpdx and Corvent provided a wealth of info on New Marketing.

According to the promos on this session, Seth was going to question if our marketing is out of sync. HE wants us to make the most out of today's new marketing technologies - without making 'meatball sundaes'!

I must admit the title of this session was intriguing (albeit a bit disgusting - a meatball sundae - YUCK!) and I was excited to find out what Seth had to say.

Seth started out by telling us that he has discovered that there is a disconnect between the people doing the work and the people writing the checks. The people doing the work recognized that it wasn't working. They realized that the time was being wasted in meetings etc.

His book tries to combine the idea of the breathtaking opportunity when we deal with Internet marketing along with the sad side effect when people abuse the power of the Internet.

The Internet is everywhere - everywhere you go all people want to talk about is the Web and how it is impacting them. The web is an evolution - just like other evolutions like transportation, assembly line, mass marketing. He believes that right now we are in the middle of the next, possibly biggest industrial revolution. This represents a tremendous opportunity for people who understand it.

The Meatball Sundae.
So, what about this term meatball sundae? He wanted to use a term that we can all use when someone suggests something you think is wrong - a meatball sundae - a meatball's are delicious - the sundae is the fun stuff, the whip cream etc. Each one works great together - but doesn't work so great when you mix it up.

If you are a mass marketer, you are used to making products that the mass wants to buy (Pop Tarts, Cap'n Crunch, Skippy). What made them successful is that they got good and selling stuff that people wanted no matter what type of industry. Being in the marketing, interrupting the market and selling average products for average people.

Now new marketing comes along and you want your share. Example, the Yellow Pages - one of the most popular marketing medium every invented. Good for being a directory. How come we go to Google and not Yellow Pages.com?

Another example, if I want to buy a piece of art I go to Sotheby's. How come if I go online - I don't go on Sotheby's - but EBay?

TV Guide was the ultimate directory for what was on TV. How come when I go online to look for video - I go to You Tube and not TV Guide?

America Online - in the 1990s was supposed to be the winner - how come when I go online to find friends I don't go on aolbook?

The truth is - it's really hard for existing players to give up what they got.

The First Marketer.

Godin provided an interesting example of what he calls the first marketer. We all know Wedgwood - that blue china that we know from their grandmothers. Founded by Josiah Wedgwood. He was the first marketer. It was invented by this man. Grew up in a small town in England, son of a potter, brother of a potter - knew he was going to be a potter. Wedgwood looked at the changes and he started a factory. He hired people how to do things and didn't hire potters. He realized he needed to add value to his brand; he shipped china to the crown heads of Europe (equivalent of $2 million in today's dollars). More people bought his stuff. He was the first one to open a showroom. He was famous for walking around his factory and if he saw something that didn't live up to his expectations - he would smash those pieces (quality control). He understood that transportation was changing things so he lobbied parliament to build a canal by his factory so that he could ship items around the world.

It could be easy to say - that's not marketing. That's exactly Seth's point. Josiah's brother made pottery and he died poor. Josiah Wedgwood died with over $40 million (current $) in his bank account. The difference between the two of them is really simple - the difference is the pyramid.

The Pyramid. Marketers

The Pyramid. Marketers think we are the most important people (top of the pyramid) the bottom (strategy, manufacturing, customer service) exists to serve us at the top. We wait for the guys at the factory to give us something good, we sell it - we take credit when it succeeds. We've figured out how to take money, apply it to average stuff, and market it - that's what marketing has been about for hundreds of years.

Godin wants to argue that being at the top of the pyramid is overrated. Anyone who views marketing as isolated from what's being made is going to fail. There are going to fail because they don't have something that's worth marketing. It's the meatballs - are coming from the bottom - from the factory. If you are going to stand still and wait for the meatballs to arrive - you are going to fail - because you are going take average products for average people that are designed for the masses and you're going to put on top of them whip cream and the toppings of new marketing and they don't work - they don't go together. Example. When Wal-Mart tried take on MySpace - WM is clearly a meatball company and they are great at it - but when they tried to put the stuff on top - the culture clash was too great; they couldn't succeed at doing it.

Just because you have a lot of cherries doesn't mean you should succeed.

SEO.
SEO - if you need to trick the search engines into finding you - you aren't going to have a long term advantage. The long term advantage is going to belong to people who don't make meatballs. It's going to belong to companies that make stuff that people seek out in the first place.

Godin exampled that what we are seeing is that marketers are discovering lots of ways they can get the word out for free. If what they are selling isn't interesting to us - we are going to ignore them - no matter how much they yell. If what they have to say is boring - we'll ignore them… boring is invisible, boring doesn't get found, boring doesn't show up on the Internet. A traditional marketer may be feeling some momentary panic. Maybe new marketing means the end - but Seth wants to argue that there are 20, 30, 50 trends that are making up this new marketing. He discussed 14 of them (and a bonus one).

He believes that if you put some of these ideas below and organize around them - the web and the world of new marketing will embrace you. Once you organize for these trends as opposed to fighting them, you discover that your products and your marketing are in sync. You discover that this is the greatest arsenal of marketing tactics ever - but only if you organize for it the right way.

1. Direct Communication - between users and the people who make stuff. Your organization should be open to this direct communication to users. Make it easy, seductive, and fun to contact your company.

2. Amplification of Consumers - every consumer has become a critic and every consumer has the power to speak loudly. If you own a restaurant, every person that comes in is the potential reviewer because of the power of the Internet. If you run a hotel - every guest has the potential to be a reviewer for Fodor's. If you run a cable TV company and one of your installers falls asleep while he's supposed to be installing cable and it ends up on You Tube - it will undo millions of dollars worth of advertising.

After discussing these two points, Godin switched gears for a moment to stress that we always have a choice - he am not suggesting you stop making meatballs- he is suggesting that you choose that you either make meatballs or you don't. Need to pick an integrated solution that is coherent.

3. Authentic Stories - what we know now is that you can't tell two different stories to one person. The constituents are going to talk to each other. Your stories must be authentic and consistent. If the story is coherent and is shared - then the story will last fall longer than the facts ever do. People buy stories - good stories hold up under scrutiny.

4. Speed - has reached whole new levels. Two types of organization - one's that are organized around speed and those that have competitors who have organized around speed.

5. The Long Tail - simple law of physics/human nature. As you add choices - sales go up. If you can own all of those choices - you win. Example. Amazon gets ½ their revenue from titles that Barnes and Noble doesn't even carry. The ones that go down the long tail the faster - wins

6. Outsourcing - we are no longer in the factory business. The businesses that you own that make the meatball is old fashioned - outsourcing takes the factory out of the picture. Ex. Jott.com - you call and say you want to Jott something to yourself. Within 20 minutes, you get an email written what you said. A great way if you want to remember something when you are on the road. Godin wanted to know how they did this - and it turns out that they outsourced it to the third world where people listen to your Jott and then send you that email.

7. The Dicing of Everything - Google has shred the world a little big. The internet allows Google to take front doors and bust them open. They take things that are in bundles and they unbundled them. When you need information, you go to Google for your information, no need to go to bundled sites like cnet for your info.

8. Infinite channels of communication- Now there is an infinite number of ways to get information out there. Ex. look at the selection of analgesics, brands of beer, you have to understand that scarcity is no longer the power there used to be. Those scarcity rules are gone - you have to come up with a different way. It isn't branding - we are branding our ways to death. You aren't entitled to my attention.

9. Consumer to consumer - the fact is that your consumers are ganging up on you. They are talking to each other. You can enable that (Kiva, EBay) you can create industries where industries never used to exist. Connecting people who didn't used to be connected.

10. Difference and the shift between scarcity and abundance - A good example is 6 years ago - a disposable cell phone seemed like a good idea. Today - we'd be queasy about the environmental impact. Used to be that fresh water was abundant - but today it isn't. Take a hard look at what's in short supply, and what's not - and realize that our business is busy trying to make scare what is abundant and trying to use things that are abundant as if they are scarce - we can turn those things upside down.

11. Big Ideas - Big ideas are far more powerful than they were previously. Big product ideas. Example, the iPhone was hyped by the users because it was fun to talk about. When someone has something fun to talk about (example Numa Numa video) - it spreads like wildfire - Not because it's a big marketing idea - not because it's a big advertising idea - but because it's a big idea in and of itself. Big reward for people who can find those ideas and bring them to market.

12. Who vs. How Many - Companies pay a premium to advertise on the Superbowl because of how many are watching. It used to be if you were selling to the masses, it matter a little bit that you reached the masses. Now, you care a lot more about who. A blog that only reaches a 1000 people could very well be more useful than the Superbowl.

13. The New Rich - The difference between the old rich and the new rich. The old rich were all the same - they were easy to find, they lived in Newport, they played polo, they played golf, they all read the same magazines etc. The new rich are like us - they are much more democratic, they do stuff that rich people didn't used to, this idea means that there are some rich people in every demographic which changes the way you segment your marketing and the stuff you choose to make.

14. New Gatekeepers and No gatekeepers - People who used to have power as gatekeepers are finding their power disappearing. Instead, you have people having enormous of power and they are the gatekeepers. In addition, there are no gatekeepers, if you have a great idea, put it on YouTube - no one can say no, build your own website, your own Squidoo page - no one can say no.

15. The death zone between scarcity and ubiquity - In an inverted bell curve, there is a death zone between scarcity and ubiquity. Godin suggested that at either end of the spectrum, you win. You win if you are everywhere (Jerry Seinfeld) you win and if you are only a few places - but are in high demand - you also when. It's when you are in the middle that you have trouble.

Conclusions

The scary thing about everything he has said is that many of your clients are going to want you to make better meatball sundaes. What he is hoping is that we can now embrace the fact that only can we say no to these people and that we should. But, the window is not going to be open for long, if we have a choice between clients and employers that get it and clients and employers who don't, if you look back at this window in time - you are going to look back that this is a once in a lifetime opportunity. This sundae is really big, extraordinarily powerful and leaving you lots and lots of options. You can embrace them now or regret them later.

At the end of the session, Seth answered a few questions.

Questions - What do you do when your sales force is older than your customer based and is technologically lacking (real estate). Do you recruit new ones? What we need to do is measure people on metrics that make sense today. Your job as a manager- how can I make this tactically simple but strategically important.

Given the power of the amateur reviewer - how can we determine between authentic and fake stuff? It is difficult to detect - people pretending/shilling obviously is going to happen. We are going to make our circle smaller - you are going to want to interact with people who you know from life or who you can trust through the respect of reputation.

Clarification - to choose one the meatball or the sundae? How do you make that choice? Starbucks is about the story and the experience. Didn't try to reach the masses - once they tried to look more like McDonalds and a whole bunch of things changed about Starbucks. They tried to make meatballs and have the topping - now they have to try to pick and choose one.

With all the channels - how do we get noticed? That's a pretty selfish question. It's not how do we get noticed. How do we make a product or service that people choose to talk about. Because it helps their life/planet etc. If we make a remarkable product, we will be talked about in tons of different places.

Why is branding dead? People need to differentiate with all these choices? Branding isn't dead. Brand is the shortcut that we use to remember the attributes of the product we love. If branding is the act of creating all the things that people will associate with your logo and name.

Why are BtoB companies behind BtoC in using the web? Starts with what kind of person goes to work for a BtoB companies. There is a lot of top down thinking. BtoB suppliers tend to respond by making commodity products, do RFPs etc.. BtoB buy that stuff only when they can't tell the difference between brand a and brand b. There is culture problem in typical BtoB companies (there are exceptions).

Are there any older companies getting our attention effectively on their websites? Microsoft - told the truth and went online and told the truth to business customers about what was happening at their company. No one wants to hear a product manager blather about legally approved info about marketing brochures. We are seeing pockets of truth telling, pockets of authentic stories that are usually happening when the boss isn't looking. But these are making a difference in BtoB companies.

It was a really informative hour and Seth Godin was a terrific and enthusiastic speaker. Thanks to Seth, SEMpdx and Corvent for a very worthwhile hour!