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Marketing Is Dead

by Bill Lee

Traditional marketing — including advertising, public relations, branding and corporate communications — is dead. Many people in traditional marketing roles and organizations may not realize they're operating within a dead paradigm. But they are. The evidence is clear.

First, buyers are no longer paying much attention. Several studies have confirmed that in the “buyer’s decision journey,” traditional marketing communications just aren’t relevant. Buyers are checking out product and service information in their own way, often through the Internet, and often from sources outside the firm such as word-of-mouth or customer reviews.

Second, CEOs have lost all patience. In a devastating 2011 study of 600 CEOs and decision makers by the London-based Fournaise Marketing Group, 73% of them said that CMOs lack business credibility and the ability to generate sufficient business growth, 72% are tired of being asked for money without explaining how it will generate increased business, and 77% have had it with all the talk about brand equity that can’t be linked to actual firm equity or any other recognized financial metric.

Third, in today’s increasingly social media-infused environment, traditional marketing and sales not only doesn’t work so well, it doesn’t make sense. Think about it: an organization hires people — employees, agencies, consultants, partners — who don’t come from the buyer’s world and whose interests aren’t necessarily aligned with his, and expects them to persuade the buyer to spend his hard-earned money on something. Huh? When you try to extend traditional marketing logic into the world of social media, it simply doesn’t work. Just ask Facebook, which finds itself mired in an ongoing debate about whether marketing on Facebook is effective.

In fact, this last is a bit of a red herring, because traditional marketing isn’t really working anywhere.

There’s a lot of speculation about what will replace this broken model — a sense that we’re only getting a few glimpses of the future of marketing on the margins. Actually, we already know in great detail what the new model of marketing will look like. It’s already in place in a number of organizations. Here are its critical pieces:

Restore community marketing. Used properly, social media is accelerating a trend in which buyers can increasingly approximate the experience of buying

in their local, physical communities. For instance, when you contemplate a major purchase, such as a new roof, a flat screen TV, or a good surgeon, you're not likely to go looking for a salesperson to talk to, or to read through a bunch of corporate website content. Instead, you'll probably ask neighbors or friends — your peer network — what or whom they're using.

Companies should position their social media efforts to replicate as much as possible this community-oriented buying experience. In turn, social media firms, such as Facebook, should become expert at enabling this. They can do this by expanding the buyer's network of peers who can provide trustworthy information and advice based on their own experience with the product or service.

For example, a new firm, Zuberance, makes it easy and enjoyable for a firm's loyal customers to advocate for the firm on their social media platform of choice. At the moment one of these customers identifies himself as a "promoter" on a survey, they immediately see a form inviting them to write a review or recommendation on any of several social media sites. Once they do, the Zuberance platform populates it to the designated sites, and the promoter's network instantly knows about his experience with the firm.

Find your customer influencers. Many firms spend lots of resources pursuing outside influencers who've gained following on the Web and through social media. A better approach is to find and cultivate customer influencers and give them something great to talk about. This requires a new concept of customer value that goes way beyond customer lifetime value (CLV), which is based only on purchases. There are many other measures of a customer's potential value, beyond the money they pay you. For example, how large and strategic to your firm is the customer's network? How respected is she?

One of Microsoft's "MVP" (Most Valuable Professional) customers is known as Mr. Excel to his followers. On some days, his website gets more visits than Microsoft's Excel page — representing an audience of obvious importance to Microsoft, which supports Mr. Excel's efforts with "insider knowledge" and previews of new releases. In return, Mr. Excel and other MVPs like him are helping Microsoft penetrate new markets affordably.

Help them build social capital. Practitioners of this new, community-oriented marketing are also rethinking their customer value proposition for such MVP (or "Customer Champion" or "Rockstar") customer advocates and influencers. Traditional marketing often tries to encourage customer advocacy with cash rewards, discounts or other untoward inducements. The new marketing helps its advocates and influencers create social capital: it helps them

build their affiliation networks, increase their reputation and gives them access to new knowledge — all of which your customer influencers crave.

National Instruments used an especially creative approach with its customer influencers, who were mid-level IT managers at the companies they did business with. NI engaged with them by providing powerful research and financial proof points they could take to senior management, showing that NI solutions were creating strategic benefits. That got NI into the C-suite. It also increased the reputation of the mid-level advocates, who were seen as strategic thinkers bringing new ideas to senior management.

Get your customer advocates involved in the solution you provide. Perhaps the most spectacular example of this comes from the non-profit world. Some years ago, with the number of teen smokers nation-wide rising to alarming levels, the State of Florida thought anew about its decades-long effort to reduce the problem. What could be more difficult than convincing teen smokers to quit — a problem that Malcolm Gladwell had said couldn't be solved. Using the techniques for building a community of peer influence, Florida solved it. They sought influential teen "customers" such as student leaders, athletes, and "cool kids," who weren't smoking or who wanted to quit — and instead of pushing a message at them, they asked for the students' help and input.

Approached in this new way, some 600 teens attended a summit on teen smoking, where they told officials why anti-smoking efforts in the past hadn't worked — dire warnings about the health consequences of smoking, or describing the habit as "being gross," left them unimpressed. On the spot, the teens brainstormed a new approach: they were outraged by documents showing that tobacco company executives were specifically targeting teens to replace older customers who'd died (often from lung cancer). And so the teens formed a group called SWAT (Students Working Against Tobacco) who organized train tours and workshops, sold T-shirts and other appealing activities to take their message into local communities. The result: despite a vicious counterattack by Big Tobacco lobbying firms, teen smoking in Florida dropped by nearly half between 1998 and 2007 — by far the biggest success in anti-teen-smoking in history.

Put another way, Florida won half of the "non-buyers" of its anti-teen-smoking "product" away from its much bigger, much better funded competitor. They did so by tapping the best source of buyer motivation: peer influence.

So can you. Traditional marketing may be dead, but the new possibilities of peer influence-based, community-oriented marketing, hold much greater promise for creating sustained growth through authentic customer relationships.