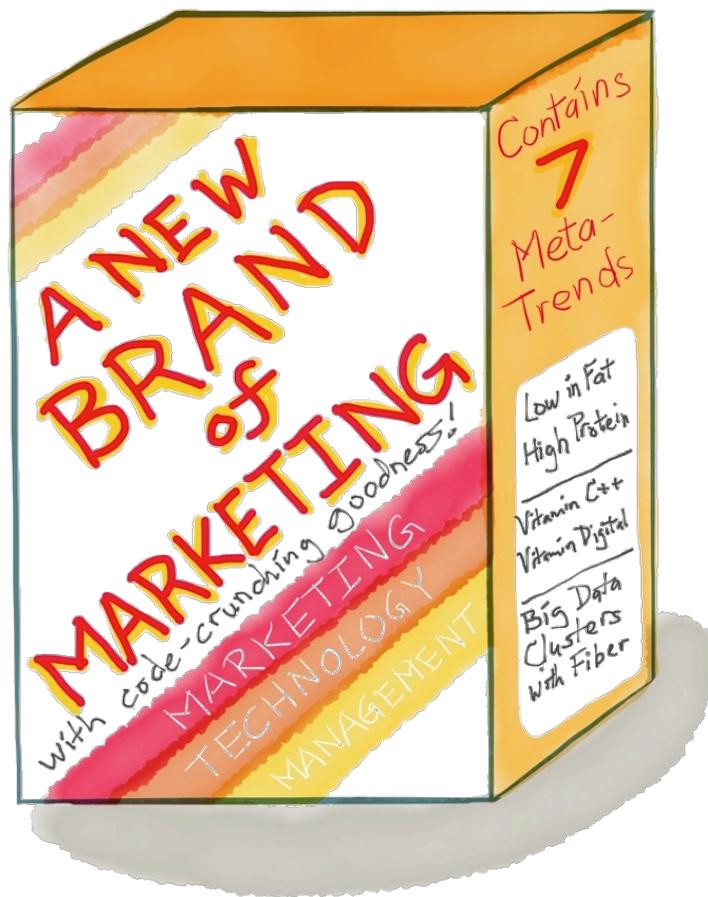


A NEW BRAND OF MARKETING

The 7 Meta-Trends of Modern Marketing as a Technology-Powered Discipline



by Scott Brinker

Marketing

Technology

Management

for Jordan

*growing up in a world where
marketing and IT will live happily ever after*

Hi.

This short, little book is free to share. It describes what I believe are seven transformative meta-trends in modern marketing.

What's a meta-trend? Well, trends come and go — that's what makes them "trendy." In contrast, a meta-trend is a deeper and longer cycle, lasting years not months. It underpins many shorter-lived trends.

Each of the seven meta-trends discussed in this book is the result of technology disrupting what was possible — for both customers and marketers. Collectively, these meta-trends wield tremendous influence on the current evolution of marketing strategy and management:

1. From traditional to digital
2. From media silos to converged media
3. From outbound to inbound
4. From communications to experiences
5. From art and copy to code and data
6. From rigid plans to agile iterations
7. From agencies to in-house marketing

The overarching theme among them is that marketing and technology have become deeply intertwined — an intersection that I cover in depth on my blog, *Chief Marketing Technologist* (<http://chiefmartec.com>).

For many people, especially in marketing and IT, this has significantly changed the nature and scope of their work. It can be daunting. But my aim with this book is to put the turmoil of all those changes into a short and cohesive narrative. By understanding the macro-level forces behind these changes, I believe it will be easier for us to harness their power.

So please do feel free to share this with anyone, in a printed or digital form. And if you want to reach me, you can connect with me on Twitter as [@chiefmartec](https://twitter.com/chiefmartec). I'd love to hear what you think.

Best,

A handwritten signature in blue ink that reads "Scott Brinker". The signature is fluid and cursive, with the first letters of "Scott" and "Brinker" being capitalized and prominent.

Scott Brinker
Boston, Massachusetts
March 2014

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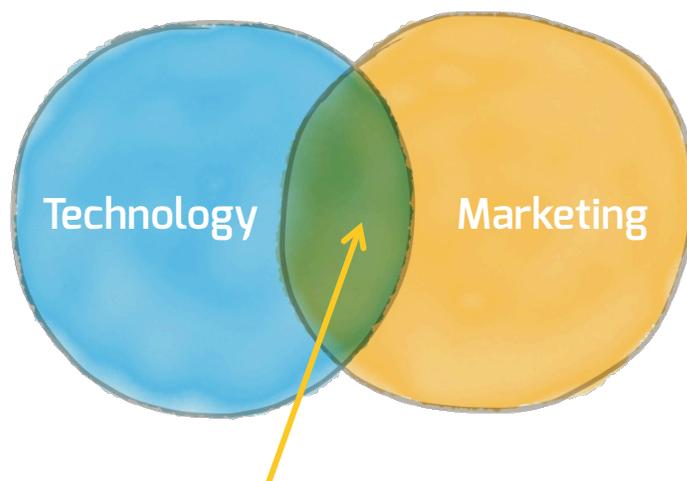
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Introduction

"The Stone Age didn't end because they ran out of stones."

- Unknown



An Amazing Intersection

Twenty years ago, modern marketing had its Big Bang with the birth of the web.

Like the real Big Bang, the early years had a lot of hot gas. Consultants prognosticated how it would transform business. The buzzword of the day was "disintermediation." A dot-com bubble grew.

True, some industries were quickly disrupted. Goodbye, Yellow Pages. But most businesses continued to operate largely as they had before the web. Maybe with a few tweaks around the edges.

But in recent years, as the gasses have cooled and new constellations have sprung to life, a fundamental change in business *has* emerged. It has taken two decades, but the web has finally fulfilled its promise of massive disruption.

What was disrupted? Marketing.

How the jester became the king

Marketing used to be on the periphery of most businesses. Outside of a few major consumer brands and the cult of advertising agencies in New York, marketing wasn't where the action was. It was mocked as "the arts and crafts department."

The web changed that by giving unprecedented power to customers.

Companies used to have an asymmetrical information advantage over most customers. They could dictate the sales process. They could spin public relations. They could rest assured that high "search costs" would dissuade most buyers from hunting around for better options.

But the web, as it matured, completely demolished that advantage with a knockout, one-two punch.

Punch one: search engines. Anyone could publish anything, effectively for free, and search engines made it findable by everyone in a matter of seconds. Open information exploded.

Punch two: social media. We became connected to each other through social networks, able to instantly share information with peers across a multitude of virtual communities. Open communication exploded.

Suddenly, the tables were turned.

Buyers could now learn an incredible amount about sellers — and not just from the sellers themselves. They could tap colleagues, influencers, competitors, and — most powerfully — other customers. In turn, they could also feed their experiences and opinions back into the web.

These explosions in information and communication were revolutionary. They put mega corporations at the mercy of mommy bloggers.

But that is only half the equation.

What drove people to praise or punish companies online? More than anything, the experiences they had with those companies. And where were those experiences happening?

Increasingly, on the web. Or in apps. Or via other digital touchpoints.

Today, people don't just visit websites to absorb information. They go to interact with functional applications. Sometimes apps are ancillary, such as a mortgage calculator. Other times, they are a key part of the product or service, such as online banking. For a growing number of companies, the online application *is* the business — Amazon, Netflix, LinkedIn, and thousands of software-as-a-service (SaaS) ventures.

People judge your company by the quality of these experiences. If you want a great brand, you need to deliver great experiences at every stage along the customer cycle — from the very first touchpoint onward.

Customer experience, more than ever, *is* your brand.

These three forces — open information, open communications, and customer experience — coalesced into the perfect storm. Superstorm Internet. And it's the marketing department who ended up right in the center of it.

Figuring out how to harness the awesome power of that storm, rather than being battered about by it, is a daunting responsibility. But it has elevated marketing to the very top of the organizational pyramid.

Peter F. Drucker famously said, "Business has only two functions — innovation and marketing." Marketing is now ready to claim that mantle.

Marketing as a technical discipline

Behind the scenes, a quieter but equally profound revolution occurred. As marketing was taking over the business, technology was taking over marketing. This caught many by surprise — not just in marketing, but in IT and the rest of the C-suite too.

The "front-office" of marketing — its interface with customers — used to be things like advertisements, brochures, direct mail, and trade show booths. Today, it includes a dizzying array of digital touchpoints across websites, social networks, and mobile devices. And they're not just static marketing pieces. They are the conduits of customer experience.

The "back-office" of marketing — its internal operations — used to be no more complex than Excel spreadsheets and a mailing database. Today, it includes CRM, content management, marketing automation, predictive analytics, testing and optimization tools, data management platforms, and a multitude of custom and cloud-based applications and databases.

Within a decade or so, marketing went from being one of the least tech-dependent business functions to being one of the most.

At first, most marketing departments kept the technology flooding into their work at arms length. They relied on the IT department or agencies to build their websites. But as their technical needs multiplied, this soon became a bottleneck. More importantly, without a native understanding of the technology, marketing was limited in how deeply it could absorb it into its strategy and tactics.

Into this vacuum, in between the worlds of marketing and IT, a new kind of hybrid marketing professional emerged: the marketing technologist.

Marketing technologists have technical skills and inclinations, but they are drawn to marketing. Superstorm Internet fascinates them. And they intuitively see how software and data can harness its power to propel a new generation of marketing.

In digital agencies, they're called creative technologists. In web start-ups, especially in Silicon Valley, they're known as growth hackers. Those who specialize in mining and manipulating data, especially big data, are data scientists. In some companies, they're considered marketing operations.

Their job titles and skill sets vary tremendously. But they have one thing in common: they don't think of marketing and technology as separate disciplines. To them, technology is simply the clay from which modern marketing is sculpted.

Marketing technologists have fundamentally changed the capabilities of the marketing department. They've cured it of blind codependency on IT and external service providers. They've helped integrate technology into the bones of its strategy and tactics.

They've made marketing tech-savvy.

Management and culture in this new wave of marketing

Five years ago, I started the *Chief Marketing Technologist* blog to cover this intersection of marketing and technology. I've been fascinated by how the massive influx of technology and technical talent is impacting the strategy, management, and culture of marketing.

I shortened the name to chiefmartec.com. Not only was it easier to type, but I thought of "martec" (marketing technology) as equally important as "marcom" (marketing communications) to the future of marketing.

Readership of chiefmartec.com has grown to thousands of marketers around the world — from hands-on marketing technologists to global CMOs. It's been incredibly exciting to watch this topic blossom, and I am immensely grateful for all the support from that community.

My goal in writing this was to distill the best of what I've learned about the intersection of marketing and technology into a more cohesive, big-picture story. I wanted a short, little book that anyone could pick up and get a really good feel for this amazing transformation of marketing into a technology-powered discipline.

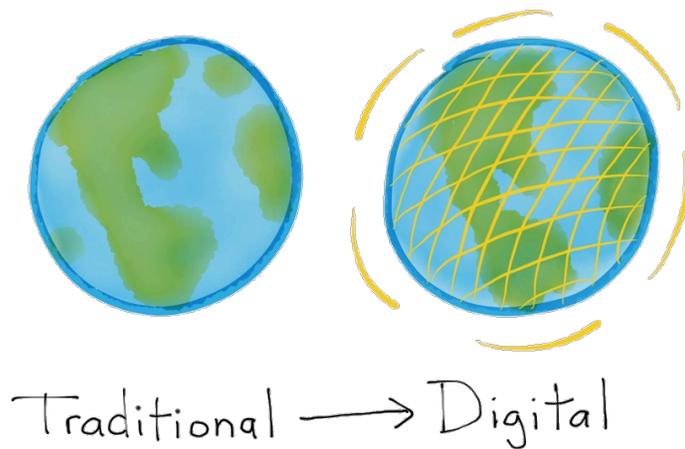
By understanding how these different meta-trends work — at least at a high level — I believe that you will be more effective in navigating your organization through this stormy sea of disruption. Even more, I believe you can harness the raw power of these storms to your advantage. As software developers say, "It's not a bug, it's a feature."

I hope this new brand of marketing inspires you.

#1 - From Traditional to Digital

"What turns me on about the digital age, what excited me personally, is that you have closed the gap between dreaming and doing."

- Bono



The mother of all marketing meta-trends, the genesis of marketing's 21st century metamorphosis, is the digitalization of the world.

It's easy to take this for granted. So many things in our lives are digital at this point that it seems about as worthy of remark as electricity. But like electricity, we must recognize that this is the engine of an era. Digital has fundamentally changed the world.

Those who underestimate the magnitude of this change — or assume that we've already seen the full extent of the upheaval it will bring — are vulnerable to serious disruption. Let that be your competitors, not you.

There are five properties of "being digital" that feed its disruptive power. Digital content and experiences can be:

1. Delivered globally in a fraction of a second, making them available to anyone, anywhere, anytime.

2. Scaled to millions of people quickly and cheaply — incremental costs for storage, bandwidth, and computing are relatively tiny.
3. Released from production to distribution instantaneously.
4. Easily altered — you can manipulate bits in the digital world far more fluidly than atoms in the physical world.
5. Easily measured — you can accurately track how people interact with them.

Pause for a moment to reflect on the significance of each of these.

These five properties are why digital was more than just “new media.” It’s enabled entirely new ways of business and life. And all of this immense power is available to essentially everyone. One digital innovator can take down empires, as with Craig Newmark’s near single-handed destruction of newspaper classified advertising with craigslist.

Mary Meeker, the rock star analyst of the Internet, has catalogued many of the industries and professions that have been disrupted by the digital revolution¹: music, magazines, books, TV, videos, photos, retailing, news, education, recruiting, fundraising, business meetings, etc.

Just consider the disruption of music. From CDs, we left behind physical music distribution. First, file sharing on Napster, which wasn’t actually legal. Then purchasing tracks from online stores such as iTunes and Amazon. Then subscribing to streaming services such as Spotify and Pandora. The business models, customer experiences, and dominant players all changed along the way. And new start-ups are on the way.

The list of digital disruptions is long and growing.

But digital takes us far beyond the reimagining of existing businesses. Digitally native companies such as Google, Facebook, and Twitter have no traditional analogs. Phenomena such as social media have no real world precedents. We’re sailing into uncharted space.

It’s incredibly exciting. But to live long and prosper on that journey, we must be willing to slip the moorings of pre-digital thinking.

Software is eating the world

Fact: everything digital is powered by software.

It’s taken a while for the implications of that fact on marketing to sink in. As marketers, we’re inclined to think of digital content and experiences as creative productions. That’s the “art” of marketing. The software that we use to create and deliver such creations is often considered merely a tool or infrastructure. It doesn’t get much credit. And like an iceberg, the vast majority of it lies below the surface, invisible to our eyes.

Yes, software should be a means to an end in marketing. But it’s not merely a tool like a pencil or infrastructure like the telephone network.

¹ <http://www.kpcb.com/insights/2012-internet-trends>

Like a mind-bending Escher drawing, software is itself a digital creation. In a digital environment, software is nearly unbounded in what it can do — rearranging bits of the digital landscape as a child moves sand in a sandbox. It is limited really only by the imagination of the developers who create it.

This means software is not simply digital plumbing. It is the source of all capabilities in a digital world. If a marketer is like Superman, performing heroic feats of creative wonder in that world, then software is the yellow sun that imbues him with his amazing superpowers.

This has made marketers extremely dependent on software — although not all of them recognize just how great their dependency is yet.

Of course, this isn't just true for marketers. As nearly everything in our lives becomes digital — or at least digitally influenced — software grows as the source of power in almost every field. As Marc Andreessen wrote in *The Wall Street Journal*, "In short, software is eating the world."²

The great migration from traditional to digital

For years, the money story of digital has been the steady migration of ad spending from traditional channels to digital ones. Approximately \$500 billion was spent globally on advertising of all kinds in 2013, with \$100 billion going to digital advertising³ — more to Google than anyone else.

Now, \$100 billion in digital spend is a gigantic pile of money. And for the foreseeable future, digital's share of the pie is only expected to grow — at the expense of traditional media. This will be the bane of old media companies and a boon to many new players.

But in the scheme of digital's impact on marketing, this is only a blip.

The real migration has been with how customers find and evaluate what they will buy and from whom. For many markets, the first touchpoints of discovery are now digital — via search, social media, mobile apps, and an ever growing array of new digitally-powered devices. And for nearly every market where buyers make a considered purchase, their decision process relies heavily on digital content and experiences.

In B2B, research shows that on average 57% of the buyer's journey now happens online before prospects even talk to a salesperson.⁴

This represents a tectonic shift in influence and responsibility from the sales department to the marketing department. If marketing doesn't impress prospects with compelling digital content and experiences — including positive support from other digitally-accessible influencers in that market — sales won't even get a shot at winning their business.

² Why Software is Eating the World, *The Wall Street Journal*, August 20, 2011

³ ZenithOptimedia's Advertising Expenditures Forecasts, September 2013

⁴ The Digital Evolution in B2B Marketing research report by the Corporate Executive Board

As a result, digital has galloped from the periphery of marketing's efforts to the vanguard.

Only a fraction of that is digital ad spend. The real investment in digital is marketing's allocation of time and talent to it. It's the growing budget for marketing software and technology services. And it's the attention that senior executives are now paying to digital strategy and execution.

Through this lens, it's not billions of marketing dollars that now go into digital. It's more than a trillion.

The great assimilation from digital to post-digital

But the distinction between traditional and digital media and marketing is quickly becoming moot.

For instance, TV ads now point people to web sites. They may actually be watched via a streaming service. They're shared on YouTube. Their creative assets are reused across web, mobile, and email campaigns. Their effects on buyer behavior are correlated with analytics from web visits and social media interactions.

Is that traditional or digital marketing? The labels get fuzzy.

Digital has become so interwoven in everything we do, that it no longer makes sense to think of digital marketing as a stand-alone discipline. Some call it integrated marketing. Some call it omnichannel marketing. But really, it's just marketing. The new, modern marketing.

As Clive Sirkin, the CMO of Kimberly-Clark eloquently said, "We don't believe in digital marketing. We believe in marketing in a digital world, and there's a huge difference."⁵

David Cooperstein of Forrester Research calls it the beginning of the post-digital marketing era.⁶

"We are entering a world where digital innovation is merging with traditional marketing fundamentals to create new approaches, new brand leaders, and new models for success."

The emphasis on "new" in David's statement is not hyperbole. The five properties of being digital that we listed at the beginning of this chapter have changed what's possible. Many of these possibilities run counter to conventional wisdom from the pre-digital era — yet those old models and approaches still act as an anchor on many businesses. To triumph in the post-digital age, you have to be willing to break with tradition.

It's more than the remaking of marketing. It's the remaking of business.

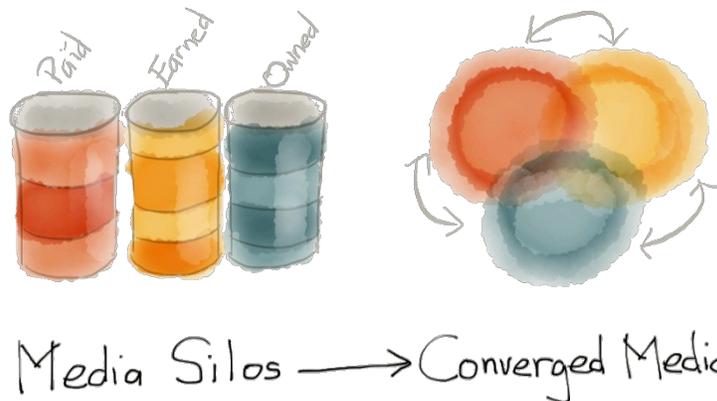
⁵ Kimberly-Clark Elevates Clive Sirkin to Top Marketing Post, *AdAge.com*, March 12, 2012

⁶ Is 2013 the Year We Welcome 'Post-Digital' Marketing?, *Forbes.com*, December 18, 2012

#2 - From Media Silos to Converged Media

"Is Facebook paid, owned, or earned? The answer is yes."

- Jeremiah Owyang



As marketers, we have a rich legacy with media, the channels through which we reach our audience. Traditionally, media included TV, radio, print, outdoor, direct mail, and so on — with a mix of advertising, PR-driven editorial, and self-produced content.

One of the consequences of the world going digital was an explosion of new channels — new media — by which we could connect with people.

Websites, blogs, and landing pages. Search engines, both paid ads and organic rankings on keywords. Display advertising. Email. Social media — Facebook, Twitter, YouTube, LinkedIn, Google+, Instagram, Pinterest, etc. — including paid ads, self-published content, and content that other people say about us. Native ads. Mobile apps.

That's just a tiny sample from a wide and growing field.

Although these are all digital media, each has its own unique dynamics and specialized knowledge. Organic search engine optimization (SEO) is quite different than email marketing.

This fragmentation of media types complicated marketing significantly. Suddenly, instead of a handful of channels, we were wrangling dozens.

The natural solution was to subdivide marketing into separate teams for these different kinds of media. There was a website team, a social media team, a search team, an email marketing team, and so on. These teams might be in-house or outsourced to an agency — or some combination of the two.

Which channels were clustered together on a particular team, and the boundaries between teams, varied from one organization to the next. Maybe blogging and social media were on the same team; maybe not.

One broad way of clustering them was into these three buckets:

- *Paid media* — advertising and sponsorships
- *Earned media* — commentary, reviews, and endorsements that other people say about us in social media
- *Owned media* — content and experiences that we produce, such as our website, our own contributions to social media, blogs, landing pages, email, mobile apps, etc.

This kind of divide-and-conquer-by-media approach was widespread. And from an inward-looking perspective, it worked: specialists could keep up with the innovation in their subdiscipline.

However, it had a fundamental flaw.

It was disconnected from the way customers looked at companies. To most people outside of marketing, the bright lines between different media were nearly invisible. What we saw internally as specialization, they could end up seeing externally as incoherence.

Connecting the “moments of truth” across media

A.G. Lafley, the CEO of Procter & Gamble, said there were two moments of truth businesses face with their customers.¹

The First Moment of Truth is the moment of purchase. A consumer is looking at a number of brand choices — imagine the shelves of different laundry detergents at the supermarket — and they either choose your brand or a competitor's. All your marketing up to that point, from TV ads to in-store displays, comes down to that moment. Do you win the sale?

The Second Moment of Truth is the moment of experience. When the consumer gets your product home and tries it for the first time, do they like it? That is the key to winning brand loyalty and repeat purchases.

This model was presented in the context of consumer packaged goods. But those two moments of truth — purchase point and first experience — are applicable to almost every kind of product and service.

¹ Foreword to *Lovemarks* by Kevin Roberts

Part of Lafley's mission was to emphasize how these moments of truth are connected. Advertising, in-store marketing, and the experience of the product itself should be coordinated with each other to maximize success.²

This hinted at convergence. But a bigger converging force emerged.

The folks at Google recognized that the digital world had created a new moment truth — one that preceded the other two — the moment of research online. They called it the Zero Moment of Truth.³

Now, when a prospective buyer is interested in something — whether that interest was stimulated by an ad, a suggestion from someone else, or their own idea — they go online and check it out. They search. They visit your website. They visit competitors' sites. They find reviews from other customers and third-party influencers. They ask for opinions of friends and colleagues in their social networks. They comparison shop.

Rarely is this actually a single moment. It's more accurate to think of the Zero Moment of Truth as a series of touchpoints. They might occur over a matter of minutes or months. Each of them either builds momentum towards winning at a purchase point — or detracts from it.

There are two killer features of the Zero Moment of Truth that are very important to recognize.

First, the different touchpoints that a buyer encounters in their research can span many different media in a short period of time. Someone may start with a Google search, click on a paid ad, download a paper from a landing page, search on concepts mentioned in that paper, read a blog post from an industry influencer, go ask for input on Twitter, click on an ad in Twitter, which leads to a different landing page, and so on.

Buyers seamlessly hop between paid, earned, and owned media without even thinking about it. Increasingly, they hop with multiple devices, what is known as "multi-screening." I might do a search on my smartphone at lunch, visit a couple of websites on my computer back at work, and then explore further on my tablet that night.

To buyers, this is simply their natural flow in their moment of research. Any discontinuities between the different touchpoints on their journey can cause confusion, suspicion, or even anger. ("You're not giving me the offer on your website that you promised in your ad on my phone!")

Second, much of the content in the Zero Moment of Truth is what *other* people have to say about you. You can't directly control that content. At best, you can influence it — mostly through the quality of the content and experiences that you deliver. That's mostly what people either share or don't share, in flattering or unflattering ways.

² In a Shift, Marketers Beef Up Ad Spending Inside Stores, *Wall Street Journal*, Sep 21, 2005

³ *The Zero Moment of Truth* by Jim Lecinski, <http://www.zeromomentoftruth.com>

That's why they call it earned media. You have to earn it.

And it forms the basis for the great circle of life for brands in the digital world. One buyer's moment of experience, when shared, becomes part of another buyer's moment of research.

If there's discontinuity between what you say (paid and owned media) and what others say about you (earned media), it shows up in the Zero Moment of Truth. Who do you think a wary prospect will believe?

Reconfiguring marketing around converged media

The Zero Moment of Truth is like a black hole that gravitationally pulls all marketing into its center. Once something is indexed by a search engine or shared in social media, it crosses the event horizon and can't escape. It may have been born in a silo before, but through a customer's eyes, it's now a part of your organization's converged public persona.

In the customer's eyes, you really want that persona to be coherent.

Jeremiah Owyang, an Altimeter Group analyst, calls this collision of paid, owned, and earned media "converged media." He believes that brands who fail to recognize this convergence and reorganize their marketing around it will suffer from inconsistent branding, fragmented messaging, redundant efforts, and low customer engagement and advocacy.⁴

To embrace converged media, marketing teams must break down the silos created for the first generation of scalable digital marketing. That's not to say that there aren't still specialists for different media — such expert knowledge remains important. But they're no longer isolated in their own fiefdoms.

Instead, campaigns are designed by cross-functional teams. They jointly analyze market and customer data, develop a strategy, implement it in synchrony across multiple channels, and react to market response in a coordinated fashion.

How does that scale? Instead of divvying up teams by media, converged teams can be created around different customer segments or different stages of the buyer's journey. These customer-centric teams can also be supported by centralized services, such as for marketing operations and marketing technology — which behave more like open hubs than closed silos.

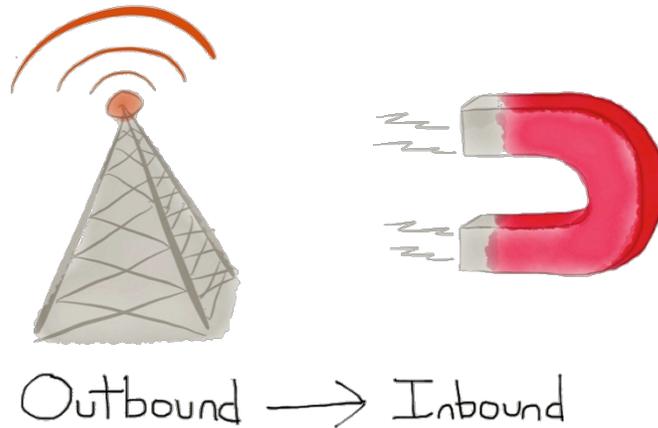
The organizing principle of marketing in a world of converged media has become the customer.

⁴ *Reach Your Dynamic Customer Through Converged Media* by Jeremiah Owyang, April 2013

#3 - From Outbound to Inbound

*"Either write something worth reading or
do something worth writing about."*

- Benjamin Franklin



At the crossroads of converged media, another significant meta-trend has blossomed. Marketing's polarity has shifted from predominantly "push" to "pull."

Push marketing imposes itself on people without an invitation. Most advertising is push — although there are some gray areas, such as with paid search ads. Telemarketing is push. Email that you didn't expressly sign up to receive — i.e., spam — is push.

When people say they hate marketing, they're usually referring to some kind of push marketing that annoyed them.

Pull marketing, on the other hand, is initiated by its recipients. They look for something that interests them, and a marketer delivers relevant and useful information or services. This begins a relationship between the buyer and the seller that, while tenuous at first, has the potential to be nurtured over subsequent buyer-invited interactions.

Seth Godin first identified this pull style of marketing in the early days of the Internet and called it “permission marketing.”¹ In contrast, he labeled traditional push-style marketing as “interruption marketing.”

For a while, permission marketing was largely synonymous with opt-in email marketing. The permission marketers typically sought was people willingly subscribing to their mailing list.

But several years later, two marketing technology entrepreneurs, Brian Halligan and Dharmesh Shah, recognized how search engines and social media were rewarding pull marketing as well. It was bigger than winning email subscribers. The balance of power between buyers and sellers on the web had shifted dramatically in the buyer's favor. Sellers who were willing to embrace that — rather than resist it — had a great advantage.

Halligan and Shah called this “inbound marketing” (in contrast to push-style “outbound marketing”).² It upturned the relationship between the customer and salespeople and made marketing the new frontman.

Inbound marketing disrupted the Golden Age of Sales

Before the web, buyers were severely constrained by what economists call “search costs.” To find information about a category of products, to decide which one suited best, could take considerable time and effort.

Think back to the days before you could just Google something. Sure, there were publications like *Consumer Reports*. But you had to wait for the issue that researched what you wanted to buy. And many types of products weren't covered. The more complex or specialized a particular product or service was, the harder it was to find information about it.

The best source of information? Salespeople.

Salespeople knew more about their products — and their competition — than almost anyone. If you wanted to learn about building a pool, buying a refrigerator, or choosing an accounting software package for your business, you would talk to a salesperson.

From the buyer's perspective, this had a number of downsides though. Salespeople were incentivized to maximize the value captured by their firms — which wasn't always the best value for the buyers. They could dole out information when and how they chose, often in exchange for information from buyers, which let them tailor their sales pitch to each. They controlled the flow of the sales process.

Information asymmetry powered the Golden Age of Sales. Buyers relied on salespeople. And so salespeople who were adept at leveraging that information advantage wielded a lot of power, both inside and outside the firm.

¹ *Permission Marketing* by Seth Godin, published in 1999.

² *Inbound Marketing* by Brian Halligan and Dharmesh Shah, published in 2009.

But then along came the web. Search engines shattered the economics of search costs. Type the right query into Google, and you could find just about anything that anyone anywhere had ever written about a product category, a specific product, or the company behind it.

Like the raising of a floodgate, information surged out into the world — and began to drain sales of the advantage of information asymmetry.

Yet the real inflection point for inbound marketing was what happened next. In most markets, it was still the companies themselves that had the greatest knowledge and expertise about their field and products. Many continued to use this as a remnant of information advantage in the sales process. But a few did exactly the opposite: they started to publish what they knew on the web.

When done well, this expert content became an authoritative reference for buyers — appearing in the top results for relevant search queries. The company didn't have to inefficiently ferret out those buyers using outbound marketing and sales. Instead, the buyers found them.

Freely giving information, instead of bargaining with it, won customers. In fact, it often won not just business, but fierce brand loyalty. Buyers loved brands who were doing less “selling” and more sincere helping.

When one firm in an industry embraced this inbound strategy, it gained a significant edge over its competitors in the digital sphere. Eventually, others followed. It created a virtuous circle, with companies vying with each other to provide better, richer information to the market.

The information asymmetry of sales evaporated.

Once prospects started to do their own research across the content provided by multiple sellers in the market, they were less dependent on information from sales. Often, enthusiastic buyers ended up knowing more about their options than the salespeople who serviced them.

Instead, it was the marketing department — producing most of a firm's web content — who became the primary interface to buyers. “Content marketing” programs thrived, fueling the engine of inbound marketing.

To be sure, salespeople still play a crucial role in the critical “last mile” of customer relationships at many companies. But the Golden Age of Sales has been dimming. The Golden Age of Marketing is on the rise.

Marketing as a meritocracy through the customer's eyes

Inbound marketing pushes marketers to learn more about their market, their products, and their customers — acquiring the expertise to create compelling content. Fluff doesn't cut it. Inbound buyers seek substance. It raises the bar on the quality and depth of what marketing produces.

By tracking how many people engage with a piece of content, how many go on to become qualified leads or customers, and how many choose to

share or “like” it on social media, marketers also receive fast feedback on what resonates. They can gauge, with reasonable accuracy, its impact on the business.

This makes it hard to fake content marketing success. If your content is great — in the eyes of your audience — your inbound metrics will reflect that. In this way, inbound marketing is a meritocracy. As Guy Kawasaki, best-selling author, venture capitalist, and the former chief evangelist of Apple eloquently said, “If you have more money than brains, you should focus on outbound marketing. If you have more brains than money, you should focus on inbound marketing.”

The combination of market demand for great content and the ability for marketers to measure the response to the content they produce set in motion a wave of changes to marketing’s culture.

By far, the biggest cultural shift was with the relationship between the marketer and the customer. Marketers used to view customers through abstract models, demographic profiles, and paper personas. But in the mission to attract inbound buyers, marketers have more direct contact with their audience. It’s more like trench warfare than being insulated in a planning room far from the battlefield.

Interacting with buyers through the pursuit of their content desires not only teaches marketers more about their customers — it makes those customers more real to them. It’s not unusual for marketers to develop relationships with individual prospects through social feedback around their authored pieces of content.

Inbound marketing engenders a culture of real customer centricity.

And there are other cultural ripples. Inbound marketers try more ideas with greater frequency — it’s fairly easy and low-risk to test new pieces of content. They dig into analytics, to discover which content influences which customers. They study search engine optimization techniques to improve their content’s distribution.

Or, put another way, inbound marketing inspires marketers to embrace experimentation, data-driven analysis, and hands-on technical skills. It’s an accessible gateway drug that lets even risk averse, mathphobic, and non-technical marketers experience the rush of the digital midway.

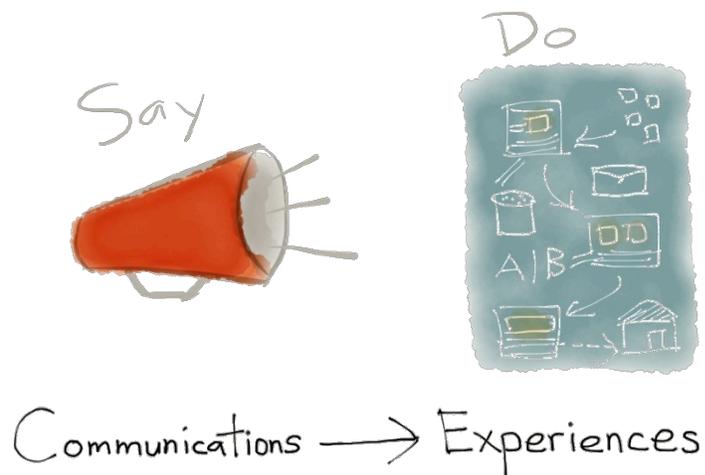
It paves the way for a more technically savvy marketing team.

Outbound marketing will remain important for many companies. But it is increasingly executed to “prime the pump,” helping to seed and assist a principally inbound orientation.

#4 - From Communications to Experiences

*"Design is not just what it looks like and feels like.
Design is how it works."*

– Steve Jobs



In 1960, marketing professor E. Jerome McCarthy suggested that the marketing mix consisted of four primary elements: product, price, place, and promotion.¹ This became the famous 4 P's model of marketing.

Over half a century later, the 4 P's model endures. In practice though, one P in particular had come to dominate marketing: promotion.

Advertising. Branding. Sponsorships. Direct. PR. Sales promotions. All of these promotional activities became the center of marketing's universe. It was the sexy side of marketing, which attracted money and talent. You could call Madison Avenue a veritable temple to such promotion.

Ask most laypeople, and they'll say marketing is nothing *but* promotion.

For the most part, promotion is marketing communications. Its mission is to communicate messages to the market, through words and visuals,

¹ *Basic Marketing: A Managerial Approach* by E. Jerome McCarthy, published in 1960.

across media. At its best, it's persuasive storytelling. At its worst, it's the kind of outbound marketing that annoys people.

For better or worse, marketing has largely been a communications job.

Yet until recently, there was often a gap between such communications and customer experiences. As a prospective buyer, you might receive a stream of marketing messages from a seller. But there was usually time and space between those messages and your actual purchase or use. Only then did the clock really start on your "experience."

While marketing was responsible for communications, it wasn't typically responsible for that subsequent experience. That was someone else's job, such as sales or customer service. The distance between those two responsibilities was usually reflected in organizational structures that separated them into different functions.

Sadly, that disconnect could easily result in disappointed customers. "Your marketing was great, but your product sucked." But marketing could have little awareness of that and feel no urgency to address it.

However, the Internet disrupted that dichotomy in two ways.

First, thanks to social media and search engines, customers are able to share their *own* communications to the market about you. Marketing is now rightfully concerned about the experiences that customers have, because it determines what people say about the company online.

Second, perhaps more profoundly, the distance between marketing communications and a customer's experience has collapsed — to the fraction of a second it takes someone to click.

Blurring the line between promotion and product

Digital's transformation of the world is clearly bigger than marketing. Digital business harnesses ubiquitous computing and connectivity to provide countless new products, features, and services to customers.

Many businesses are now purely digital. For instance, buying music from iTunes.com. Using TurboTax.com to prepare your taxes. Subscribing to the premium version of LinkedIn for better networking. Licensing stock photography from iStockPhoto.com for a newsletter.

But digital services are also wrapped around businesses that operate in the physical world. Booking a flight on JetBlue.com. Ordering a television on Amazon.com. Tracking a package on UPS.com. Hailing a taxi-like ride with the Uber smartphone app.

These digital services have become an integral part of the product in the eyes of the customer. Let's call it the "extended product." Sure, JetBlue is in the airline business — flying planes in the physical world — but if its web app for booking flights is hard to use, it will lose customers just as it would from overbooked flights, chronic delays, or surly attendants.

As digital touchpoints continue to proliferate, companies compete by innovating ever more digital services around their core product. The scope of the extended product keeps expanding.

In particular, companies are providing digital services higher up in the purchase funnel — helping to entice customers long before they buy. In a purely digital business, this might be a free trial. For example, the Free Edition of TurboTax.com. In a business with digital and physical facets, this might be a service such as BMW’s “build your own vehicle” website app, Nationwide’s “real costs of moving” online calculator, or Columbia Sportswear’s “how to tie knots” smartphone app.

This is the next generation of inbound marketing. Companies don’t just compete for who can provide the most helpful content. They compete for who can provide the most helpful services. Best-selling marketing author Jay Baer calls this giving prospective buyers “Youtility.”²

These services don’t have to be technically sophisticated either. Really any interaction that a customer has with your company is a service that delivers an experience. The organization of your website, the offers on your landing pages, the way those touchpoints work on smartphones and tablets — all of those are part of a buyer’s experience too.

If you click on an ad for vacation packages from JetBlue, the website interface for presenting them better work well. Otherwise, JetBlue can lose you even in the very early stages of considering a vacation. That’s a perfect example of how, in the eyes of the customer, there is no longer a gap in time or space between marketing communications and their experience with the company. They’re blurred into one continuous flow.

Since marketing is what you do to win a customer, and these extended product experiences are increasingly how customers are won, then by default, marketing is now in the business of delivering experiences — not merely communications. The clock on a customer’s experience now starts at their very first touchpoint.

Product is king — now the most important “P” in marketing

“On the Internet, everybody knows you’re a dog,” Mary Meeker noted in her 2012 presentation on digital trends.³ No amount of promotion can insulate you from what your customers — and other influencers — will say about you on the web.

For this reason, digital analyst Brian Solis says that the Ultimate Moment of Truth for marketers is *the moment someone decides to share something about you, good or bad*.⁴ That moment, resulting from their experiences with you, shifts marketing’s center of gravity from promotion to product.

² *Youtility* by Jay Baer, published June 2013.

³ In the early days of the web, the joke was: “On the Internet, nobody knows you’re a dog.”

⁴ *What’s the Future of Business?* by Brian Solis, published March 2013.

The growing importance of product — and again, we’re talking about the extended product that spans the entire lifecycle of someone interacting with a company — presents new challenges for marketers though.

Marketing must collaborate more deeply with other departments to design and deliver remarkable customer experiences. It should lead coordination between sales, customer service, IT, operations, and R&D under that banner. It is no longer merely the keeper of the brand in an abstract sense. Marketing is becoming a true, in-the-trenches champion of the customer — because brands are now defined by the experiences customers have and how they convey those experiences to others.

However, for many of the digital services of the extended product — particularly for the earlier stages of a buyer’s journey — marketing does more than just champion them. Increasingly, it architects and builds them. The company’s website is one example, but others are emerging.

But this demands different capabilities than marketing communications, such as process engineering, user experience (UX) design, software development, and technology management. That demand is birthing new roles such as marketing technologists and creative technologists.

Ray Velez, the CTO of digital agency Razorfish, believes that instead of marketing managers focused on inward-looking metrics, marketing is better served with more product manager type roles. People who focus on the “features” that customers want at different touchpoints in their extended product experience.⁵

It’s a big shift, conceptually and culturally.

The payoff, however, is significant new opportunities for differentiation — the Holy Grail of strategic marketing. Products can be commoditized, but experiences less so. It’s why some companies are going so far as to create a new executive post of a chief experience officer (CXO). Whether or not that person reports to the CMO, a CXO is at its heart a marketing role. It is arguably the quintessential marketing role in a digital world.

To riff on the Steve Jobs’ quote at the start of this chapter: marketing is not just what we communicate about the product. Marketing is the way the customer experiences the product — the whole, extended product.

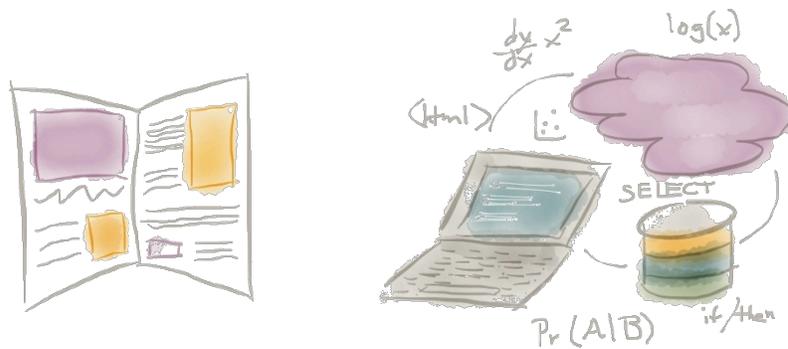
Experiences are the new sexy side of marketing.

⁵ *Front row to the merging of marketing and technology* on chiefmartec.com, Sep 2013.

#5 - From Art and Copy to Code and Data

*"The marketing future belongs to just two groups:
technicians and magicians."*

- Sir Martin Sorrell



Art + Copy \longrightarrow Code + Data

Art and copy built marketing communications. Words and images that touch, enlighten, and inspire. The celebrated partnership between art directors and copywriters. Purpose-driven storytelling that resonates.

Those talents are as crucial as ever in modern marketing. To break through the cacophony of content that the digital world has enabled, stories must be especially well-crafted. They must be remarkable.

But as we recognized in the previous chapter, marketing is increasingly delivered by experiences, not merely communications. Marketing is still storytelling — but a more experiential kind of storytelling. The audience actively participates in the story, rather than passively receiving it.

To craft these experiences, marketing needs a broader set of talents under its umbrella. Art and copy are still necessary, but not sufficient.

In a digital world, art and copy must be augmented by code and data.

Code and data — the fabric of a digital world

Code is what software is made from. Everything about how the digital world behaves is a function of code that software developers create.

Websites, mobile apps, social networks, marketing automation systems, search engines, advertising exchanges — all are software. Yet so are the foundations on which those applications are built — from the operating system of your computer or smartphone to the Internet protocols that route millions of gigabytes of data around the globe every day.

If code is the engine that powers the digital world, then data is both its fuel and its exhaust.

Software uses data as input to analyze, optimize, and personalize. For instance, Amazon's recommendation engine takes your browsing and purchase history as input to suggest other products that you might like.

Software also outputs data, now at a prodigious rate. All interactions on the Internet — plus offline touchpoints connected by software, such as call centers and retail transactions — generate gobs of data. A single website visit can produce a flurry of data, from web analytics and third-party ad tracking, to application-level profiles and outcomes of A/B tests.

Whereas industrial age smokestacks spewed soot, today's information age software belches data. But these billowing clouds of data are laced with gold. The output of one piece of software can serve as the input to others — as well as itself — where it can then be mined for insights and applied toward better, more tailored user experiences.

The total amount of data in the world is now estimated at more than 4 zettabytes¹ — or the equivalent of more than a trillion DVDs. Plumbing this gargantuan mountain of data has ignited a thriving *big data* crusade to invent effective ways of harnessing data at scale.

And how are such big data innovations implemented? Through code. Data feeds code, which streams out more data, which feeds more code, and so on. It's the digital equivalent of a perpetual motion machine.

This kaleidoscopic fabric of code and data is now the tapestry into which marketing is woven. It's more than an IT revolution of better back-office technology. It is the conduit through which front-office experiences are delivered and the voice of the customer is heard.

Code as a canvas of creative expression

Code is an amazingly creative medium.

That may not resonate at first, as developers are sometimes typecast as purely left-brained human calculators — the antithesis of stereotypical right-brained “creatives.” But those stereotypes don't represent reality.

¹ Are you ready for the 40-zettabyte year?, *The Register*, December 10, 2012

To thoroughly bust those myths, look no further than Google, Facebook, and Twitter. Those multi-billion dollar businesses creatively transformed the way the world is connected. They sprang from the imagination of their founders — software developers — who personally coded the first incarnations of their services.

From Airbnb and Angry Birds to Zendesk and Zillow, the digital world is bursting with inventive ideas born out of code. People who can code — or collaborate with those who can — have the freedom to try all kinds of new concepts, often quickly and affordably. To paraphrase Walt Disney, we can almost declare, “If you can dream it, you can code it.”

There are boundaries to what software can do — upper limits of what can be computed in a reasonable amount of time and space. But such limits are like the Pacific Ocean in the U.S.’s great Westward Expansion in the 19th century. For individual pioneers heading into the frontier, the opportunities are stunningly abundant. The sea is a very distant barrier.

Watching thousands of new software attractions flourish around us, we see manifest evidence of the creativity at the fingers of those who code every day now. Every aspect of how these programs work — not merely what they do, but how they do it and how we feel as we use them — is the reflection of a multitude of creative choices made by its developers.

Yet the creativity of code is deeper than its outward appearance. How code is written affects its speed, reliability, reusability, extensibility, even readability by other developers. This can dramatically impact its odds of success. Developers praise good code that is elegant and disparage bad code that is “spaghetti” or gives off unpleasant “code smell.”

Every good developer will attest: there’s an art to writing beautiful code.

In truth, code is arguably more like architecture. It expresses how things function, not just how they appear. But it’s architecture in a world where the architects are freed from the constraints of gravity and can zap new materials into existence by drumming on their keyboards. That is art.

And it is a whole new kind of creativity for marketing to harness.

Marketing spliced with technology and technologists

It would be hard to overstate how integral code and data have become to marketing today. Every customer experience that marketing creates or observes in the digital world is inherently rendered through software and chronicled in data.

Behind the scenes, marketing also relies on a bevy of software — from simple Excel spreadsheets to complex marketing automation platforms — to orchestrate all these productions and analyze their results.

Modern marketing software serves as everything from a drafting board to a scoreboard. Marketers can no more escape software than a fish can escape water, and their choice of software affects what they can do.

This bubbling cauldron of code and data has also become a melting pot for many different kinds of technical talents in marketing's universe.

There are hardcore software engineers, employed by the vendors who build off-the-shelf marketing platforms and tools. Technical consultants and in-house developers extend and integrate those platforms, and also create custom apps. There are web designers and user experience (UX) experts. Database administrators and data scientists manage and mine the ever growing pile of data.

But the most intriguing characters are hybrids who blend technical *and* marketing capabilities. A marketer who knows enough about HTML and basic scripting to personalize their web and email campaigns with flair. A marketing operations manager who knows how to configure large-scale nurturing programs in their marketing automation system, but who also empathizes with how recipients perceive those interactions. A marketing director who can write an ad hoc database query to answer a question about a particular audience segment on the fly.

These hybrids, who are growing in number², can be marketers who have acquired technical skills or technologists who have embraced marketing. Some are digital marketing natives who started careers at this junction. Regardless of their path, they personify the synthesis of marketing and technology into a new holistic discipline. The world is no longer divided into marketers and technologists, a black-and-white partition.

Now, we have marketing technologists, in many splendid shades of gray.

The label "marketing technologist" covers a wide continuum, from self-taught power users to engineers with computer science degrees. Some are more hands-on. Others are more managerial, providing governance and leadership to the organization's marketing technology investments, staff, and strategy.

Of course, to be sure, not every marketer needs to become a marketing technologist. Just as not every marketer has needed to be a "creative" to succeed in a discipline that leverages creative.

But in a world where code and data are now entwined in the fabric of everything that marketing does, every marketing organization must find a way to incorporate technical talent into their team as a whole.

Technical talent is now an essential strand of marketing's DNA.

² *How the Presence of a Chief Marketing Technologist Impacts Marketing*, Gartner, Jan 2014

#6 - From Rigid Plans to Agile Iterations

*"It is change, continuing change, inevitable change,
that is the dominant factor in society today."*

– Isaac Asimov



Rigid Plans → Agile Iterations

The marketing plan has been a cornerstone of marketing management for decades. Typically produced as part of an annual ritual of strategic planning, it laid out a comprehensive blueprint for marketing's activities for the year ahead.

It was the hymnal from which the entire marketing choir could sing.

But the tempo of marketing has quickened, and it's now more jazz than gospel. A recent Forrester Research study found that 96% of marketers agreed or strongly agreed with the statement: "The pace of change in technology and marketing will continue to accelerate."¹

In the face of such change, the report noted: "The traditional annual planning routine is ripe for extinction, as 69% of our B2B marketing leaders say that conditions change too quickly to keep plans current."

¹ B2B CMOs Must Evolve Or Move On, Forrester Research, July 2013

One CMO I know already declared the marketing plan is dead. He said he knew it was dead when he found the last plan from his predecessor, an 80-page tome, that was woefully out of sync with what was actually happening in their market. He wasn't about to fall to the same mistake.

However, just because "the plan" is dead, doesn't mean that all planning is dead, he was quick to acknowledge. Long-term vision and strategy are still crucial to leading an organization with purpose. And we still need to coordinate efforts across many people and initiatives.

But we need a different approach to managing marketing that can take better advantage of change, rather than struggling against it.

"Is it just me, or is the world actually spinning faster?"

The greatest challenge of the digital age is speed.

By connecting everyone around the globe on the same network, where information travels instantaneously — and by giving everyone the ability to contribute reactions back equally as fast — the Internet has boosted the collective processing power of markets by orders of magnitude.

It used to be that individual prospects and customers had to each ferret out information on their own, slowly learning of changes in a market and their implications in a disconnected fashion. Think of each of them as a stand-alone computer processing a tiny piece of an immense dataset.

The Internet has wired all of these individual "computers" together — creating a kind of massive, human supercomputer that is able to crunch information in parallel. As soon as one person in the network uncovers an insight and decides to share it, everyone else in that network who is interested can access it immediately.

Others can then quickly reinforce, rebut, or build upon that knowledge. This becomes a positive feedback loop, where in a loosely coordinated fashion, hundreds or thousands — potentially millions — of people can rapidly exploit each other's contributions on a topic of interest.

This enables collective intelligence within a market to develop at a rate that is hundreds or thousands of times faster than before. New ideas, perceptions, and memes can sweep through a market like wildfire.

The smallest stone cast by nearly anyone — an upstart competitor, a disgruntled customer, an opinionated blogger — can cause ripples that grow into tsunamis. Seemingly minor issues can escalate in a matter of days, even hours, reverberating with the thunder of cheering crowds or angry mobs. Sudden shifts in the dynamics of a market can undermine the effectiveness of a well-established strategy almost overnight.

It's not just you. The world is indeed spinning faster.

As marketers, we're now surfing this seething sea of change. We cannot predict most of these changes in advance. But we can expect that such

changes will happen. We must be prepared to react and adapt to new threats and opportunities in a more agile fashion.

At a tactical level, such agility manifests itself through phenomena such as *real-time marketing* and *newsjacking*. Organizations can swiftly act on opportunities in the moment. Oreo's famous "you can still dunk in the dark" tweet when the lights went out at Superbowl XLVII.² The CEO of Eloqua, a marketing automation company, newsjacking the story of a competitor acquired by Oracle and turning it to their advantage.³

At a more strategic level, such agility enables businesses to recognize and embrace *emergent strategy* — the natural evolution of an intended strategy based on external changes and feedback from the market.

So how do marketers achieve this agility?

Agile marketing, inspired by software developers

As it happens, the challenge of having to adjust to unexpected changes on-the-fly, while still maintaining cohesive, forward momentum toward an overarching goal, has been faced — and largely conquered — by a different but increasingly related profession: software development.

To deal with changing requirements, incorporate feedback throughout the development cycle, and ultimately deliver better products, software developers pioneered a set of adaptive management techniques that are collectively known as "agile" methodologies.

The short version — for a more thorough introduction, read my blog post, "Agile Marketing for a World of Constant Change"⁴ — is to not treat such projects as big, indivisible engagements that must follow a rigid plan determined up front. Instead, projects are executed through a series of mini development cycles, each lasting no more than a month.

Each mini cycle seeks to produce something tangible that can stimulate feedback, either from internal review or deployment in the market. The next cycle can then incorporate that feedback — as well as make other evolutionary adjustments to the plan based on changing conditions.

This ability to adapt to change and feedback at every iteration is what enables agility. There is still a strategic vision driving agile projects. But the realization of that vision is structured to be flexible along the way.

Agile methodologies also help organizations break down the silos that would previously slow their response time. Agile teams are usually small and highly collaborative. Larger projects are tackled with multiple teams, loosely but openly coordinated. Frequent but brief "stand-up" meetings among team members keep everyone in sync. There is full transparency for work in progress and what's prioritized next. Drag is ruthlessly cut.

² How Oreo Won the Superbowl with a Timely Blackout Ad, *Wired*, February 4, 2013

³ *Newsjacking* by David Meerman Scott, published November 2011.

⁴ <http://chiefmartec.com/2013/03/agile-marketing-for-a-world-of-constant-change/>

This builds teams with a powerfully upbeat camaraderie and rhythm.

A few years ago, several marketers who saw this working in software started to recognize that these agile methodologies could be applied — perhaps with only a few tweaks — to marketing management as well.

Agile marketing was born. Well, in truth, it was adopted from software developers. But it's proven to be an ideal framework for operating in a marketing environment of continuous change — without slipping into chaos. And every year, more marketers embrace this approach.

That CMO who declared the marketing plan dead? He replaced it with agile marketing, and he and his team thrived.

The mighty combination of agility and experimentation

Possibly the biggest boon to marketing in a digital world is how easy it is to test new ideas. It's often cheap, fast, and relatively low risk to launch a trial balloon in a little corner of the Internet and see how it performs.

The incredible malleability of digital media makes such experimentation technically feasible. Rearranging pixels on a screen is much easier than rearranging atoms in the physical world. And the inherent measurability of most digital interactions lets us apply scientific methods to prove — or disprove — our hypotheses with relatively high statistical confidence.

The benefit of having talent to leverage code and data here is obvious.

But it's the agility of marketing teams that turns experimentation into a truly potent competitive edge. Agile marketers are able to quickly launch new experiments with each mini cycle — and then immediately apply the learnings from those experiments to the planning of their next mini cycle. Both the volume and velocity of experiments are increased.

This enables a qualitatively different approach to marketing. Instead of having to rely on gut instincts to place a few big bets, marketers can test a wider range of possibilities. Initial experiments can be small, expecting most to fizzle. Only those that bear fruit are scaled up, and with greater confidence. Ongoing iterations can then further optimize those winners.

Using rapid experimentation to take a discovery-driven approach to the market is altering strategy and operations in businesses of all sizes now. Columbia Business School strategy professor Rita Gunther McGrath has championed such an “experimental orientation” for large companies in *The End of Competitive Advantage*. Silicon Valley entrepreneur and author Eric Ries has also championed a similar “build-measure-learn” process for new ventures in *The Lean Startup*.

Agile iterations and continuous experimentation let marketers lead this movement and harness the speed of the digital age to their advantage.

#7 - From Agencies to In-House Marketing

"Your culture is your brand."

- Tony Hsieh



Agencies → In-house

From the 1950's through the 2000's, ad agencies basked in glory.

Advertising dominated marketing. And agencies dominated advertising. They shone as metropolitan beacons of creativity, seducing the best art and copy talent into their bullpens. They forged iconic taglines and 30-second spots. Just do it. A diamond is forever. Got milk? Think different.

They also served as the gatekeepers to paid media distribution of those ads. And from a cut of that \$500 billion market, they made their fortune.

Thriving in that period, ad agencies honed three core competencies:

1. Distill the essence of a brand into a compelling message
2. Develop persuasive creative to communicate that message
3. Design and execute large-scale media plans to distribute that message

These services drove marketing for years. But then marketing changed.

The six previous meta-trends disrupted advertising's world order.

Inexpensive digital advertising began to cannibalize premium-priced — and premium-commissioned — traditional media. Programmatic media buying technologies efficiently tightened margins on distribution. Self-service ad platforms, such as Google AdWords, let companies easily run their own campaigns, without agency intermediaries.

Silos of paid media advertising and old-school earned media PR were swept into newly converged media, where highly fragmented channels and content all jockeyed for attention. The polarity shift inherent in that convergence, from outbound to inbound marketing, further sapped the effectiveness of advertising — and with it, the power of the adman.

However, the jingle, the tagline, and even the epic Superbowl ad, were ultimately eclipsed by something more transformative: marketing's shift from communications to experiences.

Brands must own their customer experience and culture

Customer experience is your brand. That's not only true for people who directly interact with you. It's true for everyone who hears about those experiences second-hand through search and social media too.

Perfectly distilled messages and compelling creatives are sufficient only to set the stage for those experiences. While a brand may still benefit from a brilliant ad campaign dreamed up by their agency, the company itself must take responsibility for the far bigger mission of fulfilling those expectations, as brand promises. And in our digital world, there's now a multitude of such touchpoints, a click away from any creative.

These are organizational commitments. With customer experiences, it's not sufficient to concept a cool idea on a whiteboard and act it out in a beautifully produced video. You have to figure out the hard work of how to implement it, consistently and at scale, throughout the company.

It requires a deep level of collaboration between departments across the business — marketing, product development, IT, customer service, sales — around a shared vision that can't be outsourced. Agencies and consultants can contribute to the concept and execution of that vision. But they can't own it.

To appreciate why, consider this chapter's opening quote by Tony Hsieh, the founder and CEO of Zappos: "Your culture is your brand."

In a blog post with that headline, Tony asserted that you can't just buy your way into building your brand anymore. "Advertising can only get your brand so far." With the ruthless transparency now imposed by the Internet, customer experiences *are* your brand — for better or worse.

But since there are so many touchpoints in customer experience today, you can't anticipate all of them in advance. Your organization must be able to continuously act in the moment to fulfill your brand promises.

That's only possible if it's a natural outgrowth of your organization's culture. "We believe that your company's culture and your company's brand are really just two sides of the same coin," Tony concluded.

Culture, however, is deeply embedded in the bones of your company. It is intertwined with the principles by which management acts — and has acted over time — especially with regard to personnel choices. It is also notoriously hard to change. You cannot replace it as easily as you would swap out a new ad campaign.

No agency can impart a culture to you. It must come from within. Since culture shapes customer experiences, and customer experiences now define your brand, an agency can no longer create your brand for you.

The relative permanence of marketing infrastructure

Delivering customer experiences — and remember, those experiences begin with the very first touchpoint prospects have — takes more than just culture though. It also takes considerable marketing infrastructure, most of which had never existed before in traditional marketing.

Your website is the most obvious example. A modern website is not a trivial operation. It's driven by a content management system that may have multiple workflows controlling the interactions of many different contributors. It's usually integrated with multiple analytics packages to reveal and optimize many different visitor behaviors. It has — or should have — A/B testing functionality to run experiments at many different levels. It may have a personalization layer. It may have an e-commerce engine. It probably has many app-like features that were custom built.

This infrastructure will directly affect the customer experiences that you deliver through your website — and thereby will affect your brand.

And the website is only one example. Marketing automation, customer relationship management, mobile apps — anything that powers the delivery of customer experiences is part of that infrastructure.

Building and operating such infrastructure, however, is not like hiring an agency. For instance, a company must own its website, even if an agency helped build it. If the relationship between the agency and the company falters, it isn't acceptable for the company's website to suddenly go dark. In a digital world, the website is a business critical system.

Even if you are "renting" software and hardware for your infrastructure — software-as-a-service (SaaS) and cloud computing resources — the responsibility for its stability and continuity rests with the organization that owns the brand. It's those customer experiences that are at stake.

It's more than just software and hardware too. It's all the data generated by and contained in that infrastructure — data that is a key asset of your business. It's all of the operational processes that you build around that infrastructure and the acquired skills and experience of staff who use it.

Most of that value that is embedded in your infrastructure is not easily transferrable to new systems either. If your marketing infrastructure is not performing, you can't replace it with the ease that you would fire an agency that wasn't working out. It can take a company months or years to build a new website or switch marketing automation platforms.

This puts a lot of pressure on companies to get this infrastructure right. It further increases the importance of having strong technical talent on the marketing team. And it's shifted marketing's center of rotation — from agency operations to in-house marketing operations.

New kinds of agencies for a new kind of marketing

However, agencies are not going away. In fact, given the multitude of challenges that marketers face today, there is more demand for service providers who can help than ever before. But what agencies do — and the nature of their relationships with brands — is changing.

In particular, given the tremendous diversity of work being done under marketing's umbrella today, it's hard for one agency to do it all. Instead, companies now often work with multiple agencies and service providers, covering a wide variety of specialties such as:

- Traditional agencies still doing TV, print, and radio campaigns
- Digital agencies who build websites, apps, and digital campaigns
- Public relations firms, social media agencies, and hybrids
- Content marketing and inbound marketing agencies
- Strategic marketing and management consulting firms
- System integrators and technology outsourcing providers
- Design firms and product innovation consulting firms
- Data management firms and analytics consultants
- Research analyst firms, who traditionally advised IT leaders
- Software vendors who also provide services with their products

And there are many more. Firms that specialize in building mobile apps. Firms that specialize in conversion optimization, designing and running controlled marketing experiments. Firms that specialize in implementing marketing automation processes. New kinds of firms appear each year.

Yet ironically, this explosion of different kinds of service providers tips the balance further to the in-house marketing team. It's given brands far more choices, for which services they get from whom in an unbundled fashion.

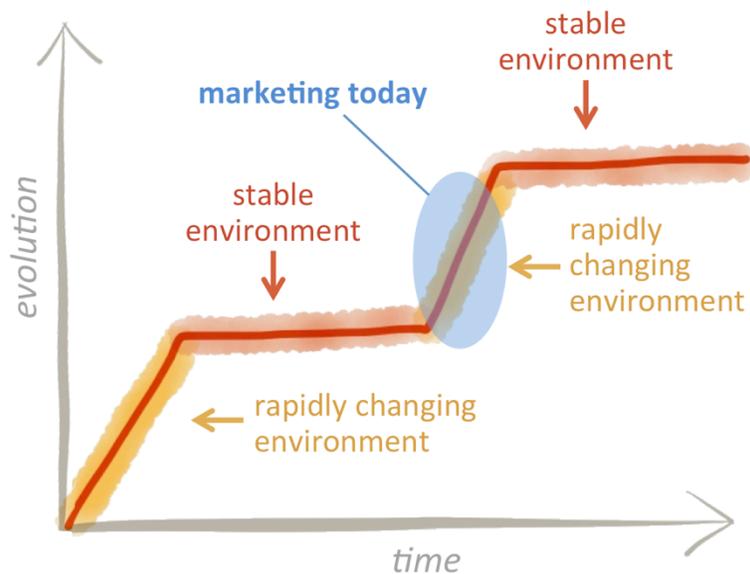
But it's up to the brand's marketing leadership to decide how they will be coordinated. And because these different providers typically overlap as competitors, managing collaboration between them is no easy feat. It takes a strong in-house marketing team to wield this power.

Agencies still have a major role to play. But in this new Golden Age of Marketing, it's the in-house marketers who get the guts — and the glory.

Conclusion: The Evolution of Marketing

"Any company that cannot imagine the future won't be around to enjoy it."

– Gary Hamel & C.K. Prahalad



Scientists have come to believe that evolution does not happen slowly and steadily over time. Instead, new species tend to arise in bursts of evolutionary activity, triggered by major disruptions in the environment — a theory known as “punctuated equilibrium.”

Everything can be going along fine for ages, with little incentive for new methods of adaptation. Then — *bam!* — a disruption occurs, like a large meteor crashing down from the skies, and everything is suddenly thrust into chaos. It's in such a rapidly changing environment that new species emerge, better suited to deal with the new circumstances. Old species either adapt or vanish.

Gord Hotchkiss, a marketing strategy consultant and a good friend of mine, wrote a column last year noting that punctuated equilibrium is exactly what is happening in the evolution of marketing today.¹

"I propose that marketing is currently a very rugged adaptive landscape. Some marketers are going to thrive, and others are going to disappear from the face of the earth. We're already seeing exciting new species emerge."

The species he was seeing? Growth hackers. Agile marketers. Bayesian strategists, who approach strategy less as a master plan and more as a series of testable hypotheses. And chief marketing technologists.

At first, these different kinds of marketing roles may sound completely foreign, perhaps even ludicrous. Do we really need these new species of marketers? Haven't we done perfectly fine without them for the past 50 years of our noble profession of promotion?

But this is where we must step back and realize that the past 50 years were a relatively stable environment. We had well-established roles in marketing — and clear boundaries for what was not marketing. "Need help with your software? Go see IT."

However, the seven meta-trends that we've identified in this book have each individually caused a major disruption in marketing's environment — and collectively, they're cataclysmic.

This is not the marketing of the past 50 years.

Marketing today is a rapidly changing environment. Once we recognize that, the wisdom of encouraging "new species" of marketers to flourish becomes apparent — it is the only way that marketing as a whole will adapt to this new landscape.

"Evolution of marketing" aren't just pretty words to say.² This process of evolving what marketing does — and who does it — will be difficult for some organizations to embrace. But in the spectacular aftermath of the Internet meteor that struck the earth, it's what they must do to endure.

Gord finished his column on marketing's punctuated equilibrium with these words: "As a marketer, you have two choices: adapt and survive, or stand still and die. The ones who do the first the best will emerge at the top of the marketing food chain."

Technology management as an integral part of marketing

There's one overarching theme in this book: marketing has become a technology-powered discipline. As such, marketing leadership must accept that technology management is now part of its responsibilities.

¹ *Evolving On The Fly: Growth Hackers, Agile Marketers, Bayesian Strategists, and CMTs*, *MediaPost Search Insider*, January 10, 2013

² Apologies to Bernie Taupin for riffing on his lyrics to *Mona Lisas and Mad Hatters*

After all, if you're responsible for the outcomes — how customers will perceive your brand in the digital world that is run by software — then you cannot afford to take a *laissez-faire* approach to the technological mechanisms by which those outcomes are achieved.

When you're skydiving, you should know how to pull your parachute.

This doesn't mean that the CMO personally has to be technical — although that may become more commonplace in the future. But he or she must be comfortable incorporating technical talent and capabilities into the marketing organization and managing them at a high level.

I believe that one of the best solutions is for the CMO to create a senior position within his or her organization that is responsible for technology strategy and management in marketing: a chief marketing technologist.

The duties of a chief marketing technologist role typically include:

1. Serve as a trusted advisor to marketing executives for how technology can enable more effective marketing programs.
2. Own and operate marketing's "technology stack" — the key software products used within marketing — and develop a coherent architecture and roadmap for its ongoing success.
3. Collaborate and coordinate with IT to ensure that marketing is making the best use of IT resources, integrating well with other corporate systems, and adhering to proper IT governance.
4. Interface with marketing technology vendors and service providers to evaluate, spec, and integrate their capabilities.
5. Help the rest of the marketing organization better leverage technology — to raise the tech-savvy of the entire marketing team through assistance, training, and knowledge sharing.

It's like a CTO for the marketing department. Some people call this role a chief marketing technology officer.³ Others call it the head of marketing technology or VP of marketing technology. At SAP, the role is known as marketing's business information officer.⁴ In some companies, this role is absorbed into marketing operations or customer intelligence. In yet others, this role is part of a "digital" or e-commerce team, either as — or working for — a chief digital officer or VP of e-commerce.

The title is not important. It's the role that matters. In a small company, the "marketing technologist" hat may be one of many worn by the same person. In a large firm, there may be a whole staff under this position.

Analysts at both Forrester Research⁵ and Gartner⁶ have independently advocated for this senior-level position. Forrester calls it the "marketing technology office." Gartner refers to it as a chief marketing technologist.

³ The hot new CxO: Chief Marketing Technology Officer?, *VentureBeat*, August 23, 2012

⁴ CMOs and CIOs Need to Get Along to Make Big Data Work, *HBR Blog*, February 4, 2014

⁵ *Investing in Marketing's Technology Future*, Forrester Research, October 24, 2011

It's important to note that this role should not be in opposition to the IT department, but in partnership with it. This shouldn't be "shadow IT," but rather "amplified IT." Its mission is to make marketing more effective at leveraging all the net new technology that has infused its domain.

In fact, in many organizations with a chief marketing technologist role, the position reports directly to the CMO — but also reports in a dotted line to the CIO. In a few companies, it's other way around: an IT position that serves as marketing's champion in the department.

A handful of companies have taken this even further. At Marriott, the CIO now reports to the CMO.⁷ At Motorola Solutions, a single person is the senior vice president of marketing and IT.⁸ That unification may not make sense for every organization, but the fact that it does for some is testament to the incredible evolution underway in both departments.

To infinity and beyond

The remaking of marketing as a technology-powered discipline is a huge topic — and this has been a very short book. But I hope it has helped to frame the reasons *why* marketing is evolving this way.

If you're interested in learning more about the *what* and *how* of leading this new brand of marketing, I will close with a brief promotion for my blog, *Chief Marketing Technologist*, <http://chiefmartec.com>. It delves into the many strategic, operational, and cultural issues at this fascinating intersection of marketing and technology, and it's a growing community where you can connect with other marketers tackling the same.

While there are many challenges to conquer here, it's important to note that we're incredibly lucky. This massive disruption that has punctuated marketing's stable equilibrium has given us all the opportunity to play a part in the redefinition of marketing for the *next* 50 years.

It is a new brand of marketing. And you can help shape it.

⁶ *The Chief Marketing Technologist Role Emerges to Help the CMO Seize Business Advantage*, Gartner, April 26, 2013

⁷ CIO Reports to CMO? Technology Under Marketing, *CMS Wire*, December 3, 2013

⁸ Eduardo Conrado Talks About Motorola's Move to Marry Marketing-IT, *AdAge.com*, May 8, 2013

Credits

Even though this is a short book, there are many people to thank for all the inspiration and wisdom that I've gleaned from them: Eric Amodio, David Armano, Lisa Arthur, Jay Baer, Jonathan Becher, Jeff Behrens, Michael Brenner, Eric D. Brown, Clay Christensen, Jeff Cram, Frank Days, Ric Dragon, Jeff Eckman, Bryan Eisenberg, Jim Ewel, Michael Fischler, Jill Geiser, Cleve Gibbon, Frank Gilbane, Mayur Gupta, Matt Heinz, Darren Herman, Gord Hotchkiss, Brian Kardon, Terry Kawaja, Jascha Kaykas-Wolff, Jim Lecinski, Eric Long, Lance Loveday, Brian Makas, Laura McLellan, Sam Melnick, Jonathan Mendez, Jon Miller, Sheldon Monteiro, Adam Needles, Jeremiah Owyang, Jason Palter, Christopher Penn, Neil Perkin, David Raab, Eric Ries, Christopher Robert, Paul Roetzer, Robert Rose, Greg Satell, David Meerman Scott, Dharmesh Shah, Anna Talerico, Justin Talerico, Brad Terrell, Ray Valez, Eric Wittlake, Steve Woods, Stephanie Zaiser, and many more who will hopefully forgive me for failing to name them here.

About the Author



Scott Brinker has been working at the intersection of marketing and technology for over twenty years. He is the author/editor of the *Chief Marketing Technologist Blog* — chiefmartec.com — and the co-founder and CTO of ion interactive, a digital marketing software company that offers a platform for marketing apps.

Scott earned degrees in computer science from Columbia University and Harvard University and an MBA from the Massachusetts Institute of Technology.

Want to learn more about technology and its impact on marketing strategy, management, and culture? Visit chiefmartec.com.

