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Welcome to the Brainfluence Podcast with Roger Dooley, author, speaker and educator on neuromarketing and the psychology of persuasion. Every week, we talk with thought leaders that will help you improve your influence with factual evidence and concrete research. Introducing your host, Roger Dooley.

Roger Dooley: Welcome to the Brainfluence podcast. I'm Roger Dooley.

Today we have Mark Schaefer back on the show. Just about everybody who shows up here styles themselves as a thought leader, but Mark is the real deal. He writes one of the top five marketing blogs in the world. He teaches graduate marketing classes at Rutgers, has written six best selling books that include the best selling Twitter book ever, The Tao of Twitter, and The Content Code, which lnk Magazine named as one of its top five

marketing books of the year.

He speaks worldwide, and has been featured on media outlets like CNN, Wall Street Journal, New York Times and CBS News. Mark's new book is Marketing Rebellion: The Most Human Company Wins.

Mark, welcome back to the show. It's great to have you.

Mark Schaefer: Oh Roger, that's quite an introduction. Thank you my

friend.

Roger Dooley: Well man, I just like cut out half or more of your

credentials there, so it didn't take up the whole show.

Mark Schaefer: Yeah, you forgot the part about being the lingerie model.

Roger Dooley: Well, we'll save that, tease that, for the next one.

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Mark Schaefer: One of my proudest moments.

Roger Dooley: Next time you're on the show, Mark, we'll go into that in

depth.

Mark Schaefer: Let's go into that.

Roger Dooley: We'll even post some video content maybe.

Mark Schaefer: Alright.

Roger Dooley: So hey Mark, a while back one of the multiple terms

you've coined, that's gotten some traction, is content shock. Curios what the 2019 update is on that topic, you know, the overwhelming volume of content that's being

generated and thrown at people.

Mark Schaefer: Well, content shock was an idea I propose, actually

exactly five years ago. It was in early 2014, and I was observing that it was getting harder to be in marketing. It was harder to get my content to be seen, and read, and sort of ignite through an audience. I thought through the economics of this, and realized that the economics of content are the same economics of any human, natural or business system. When you have too much of something,

there's got to be a change in the system.

It's the same with content. Think back in the early days of Facebook, when Facebook was begging for content, and you could post something as a business. Really, it was a wonderful place to be, and you could build an audience, and get engagement. We would have engagement rates, organic reach of 30%. 40% was not unusual, and today the organic reach on Facebook is less than half a percent.

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The reason isn't because Facebook is being mean to us. It's because there's too much stuff.

On average today, a user on Facebook can see 2000 stories a day, because everybody wants their stories on Facebook, and there's just too much. So Facebook's got to ratchet it back, ratchet it back, ratchet it back. Now, so what do you do?

Number one, you got to promote it through advertising, which costs money, or you've got to create content that is so Game of Thrones worthy, excellent, that it breaks through and becomes sort of viral. In either case, it costs a lot more to be successful today than it did five or six years ago on Facebook. That is content shock happening right before our eyes.

We see this occurring that in almost every category, in almost every industry there's just this huge flood of content. It does take more. It takes more effort, more money, more advertising to try to break through because the economic value of content that's not seen and shared is zero, so we've got to get it to move, and that's becoming harder to do.

Roger Dooley:

Uh-huh. Yeah, and the amount of content that's not seen and shared is really significant. Sometimes you can spy on stats for sights. You can certainly, with various tools, look at how many times an article's been shared or linked to. You see some sights that look really great with some people that look really smart, and then you look at what kind of traction their content is getting, and it's nil. So, there's a lesson there, and you're right. Creating great content is not easy.

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There was a time, not that many years ago, when you could write an article about a topic, and as long as it was reasonably on topic and the English was okay, you might get people to look at it. But now, that kind of stuff just dies. It doesn't get search traffic. It does get human traffic. So, the bar is definitely a lot higher.

Mark Schaefer:

Yeah. I mean there's still opportunities out there, but I think the message is the solution for marketing today is to not just start creating content. You've got to do some work first, and really determine where is there an unmet need. Where is there a relatively unsaturated niche for content, and really do you homework before you start investing an effort.

Roger Dooley:

Yeah. That kind of leads us into Marketing Rebellion, which starts off more ominously, I think, than a lot of books that I see, with you saying that as you were researching this you became alarmed. That's not a real common thing to see in the introduction to a book where right up front the author admits sort of the topic changing before his eyes. Although, I think it happens to all of us.

I know that in writing my new book, Friction, I've had that experience. My understanding of certain things really deepened, and my thoughts about those things really changed. But for you Mark, what set off those alarm bells as you were doing your research?

Mark Schaefer:

The reason I write a book is because I see a problem that I don't understand, and I sort of become obsessed with that. I'm like a dog chasing a tennis ball. And the problem I saw this time is that everywhere I went, and every marketing professional I talked to around the world was

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telling me that they just felt stuck. They felt that marketing wasn't working like it used to, and that they were falling behind. And whether it was a big Fortune 500 company, or a startup or an entrepreneur or a university, I kept hearing this over and over again.

My hypothesis was people are keeping up with technology. As I dove into the problem, Roger, what I found is that it's not necessarily just the technology. We're not keeping up with our customers. The customers have like created this quantum shift away from our companies and our marketing in terms of what they want, what they expect, what they need, and we're still kind of doing our thing. Maybe we did iterate here and there, and maybe we automate something, but what I discovered is that the customers have taken this leap away from us, and it really challenged me about what I think it is to be a marketer today.

I came to this realization that the way I've run my career for the last 30 years really isn't accurate anymore. That's what was alarming to me. It was like really disturbing. It was like, "Oh my gosh, when I start writing about this, what are people going to think?", but I did it.

Roger Dooley: Uh-huh. Explain more about that realization, Mark, what

was so different from your past decades of experience?

Mark Schaefer: I think, let's do a little visualization. We'll do a podcast

visualization, which is not the easiest thing to do in the

world, but so let's say-

Roger Dooley: If anyone can do it, Mark, it's you, so let's go for it.

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Mark Schaefer:

I think that I'm up to it. So let's say, when you and I were starting out in business, and we had a pie chart that showed how much of our sales is due to our sales and marketing efforts versus something that's happening external to our company. That pie chart would probably show 90%, or maybe higher than 90&, of our sales can be attributed to our activities, in our control.

Now, that's happened in the last few years is the control has moved from companies to consumers. And today, two-thirds of our marketing is occurring without us. It's in control of the consumers, because trust in companies, brands and advertising has declined, precipitously declined 10 years in a row. People don't even see ads anymore. The implication is there is no sales funnel. The research is telling us this. Google has come out in the last few weeks with a series of articles talking about how there is no sales funnel. Even people searching for the exact same product get there many different ways.

There is no customer journey that we can define. It's a tangled mess. All the power today is with the customer. So if you had a pie chart today, it's gone from 90% in our control to 33% that's in our control, let's say. Five years from now that might be 10%. So we really don't have a choice, but to understand what is this two-thirds. What is this two-thirds of marketing that's occurring without us? How are people communicating to each other now on social media, through user-generated content, through reviews, through the use of influencers, which a lot of people still role their eyes at influencers.

And yes, there's some problems and corruption in that part of the business, but it works. It's a legitimate

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marketing strategy. All those things may or may not be in a company's control, and it's slipping away. To be a marketer today, it requires this new mindset that the customer is the marketer.

Roger Dooley:

Yeah, you know Mark, you talk about the third that's under your control, and even there that is much less under your control than it was, because when marketers had almost complete control over the message, they could create a brand image. They could tell people about their product, how they were supposed to feel about it, what kind of people used it. And by and large, people could believe that, unless the product was total garbage, but now if the message that you're putting out, even in that smaller portion of the total amount of marketing is not consistent with the rest, then it's going to be worthless.

If you're saying that, "Wow, we have an elite, super high quality brand," but what people are saying about it is, "Ah, it's kind of cheap," then even your own efforts are going to be worthless.

Mark Schaefer:

Yeah. Well back in the day, it was like our job was to get it sold. If you got it sold, the job is done. Today if you get it sold, your job has just started.

Roger Dooley: Right.

Mark Schaefer:

Because what happens then? What are people saying about it? What are people putting on YouTube about it? It's just this huge shift, and I think, well I know that most marketers and marketing departments that I know of don't fully comprehend what's going on, and the new strategies, the new mindset it takes to be successful today. Because

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that two-thirds of marketing that's going on without us, you can't buy your way in. You've got to be invited into that, and it's a very different way of thinking. It's a very different way of operating.

Roger Dooley:

One surprising statistic you have in the book, Mark, is that in one survey of different consumer product categories, 90% showed no customer loyalty. That number really astonished me it would be that high.

Mark Schaefer:

It is. And on average, across 80 different business categories, it's 87%. Only 13% of our customers can be counted on as being loyal. The rest of our customers are shop around customers. There is some variation from industry to industry. There's a little bit more loyalty in automotive. There's a little bit less switching in insurance, for example. But across the board, we can only count on about 13% of our customers being loyal.

This is research that has been done by McKenzie, and one of the recommendations, the conclusions from this research, is you really need to stop putting your money into sales funnels and loyalty. I'm reading this, I'm absorbing this and I'm thinking, "Look, I've been in marketing for 30 years. This is what I do. Are you telling me there's actually a resistance to loyalty these days?"

So if you're thinking about, "Well, we need to increase engagement," research shows there's not much connection between engagement and loyalty. In fact, this leads to another topic I think is one of the most interesting topics of the book ... while we're on the subject of loyalty ... the only thing that does provide an opportunity for

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loyalty today is to have a marketing campaign and a product that creates shared meaning.

We see this being exemplified in some of programs like the thing that Nike did with Colin Kaepernick. I know you have quite a few international listeners. They may not be familiar with this, but this was a bold move. It's an alignment that Nike made with a controversial, US, American football star who expressed his ability to protest civil rights issues by kneeling during the American National Anthem at professional football games.

Some people think he's a hero. Some think he's being disrespectful to the company ... his country. It's very polarizing. But Nike ran the math, and they were looking at the same research that I was looking at. This was all happening as I was like doing this research for this chapter, so it was fascinating. What happened was it did blow up. They lost 4 billion dollars in market value in one day. But by 7 days later the market value was even higher. It had all come back plus more, because Nike saw, "Look, 90% of our customers are males under the age of 30, urban setting that have some affluence, and this is what they believe in, and we're going to align with that."

That is the only thing that can connect to people's loyalty today. So again, it really suggests different ways of thinking about marketing and thinking about the world.

Roger Dooley:

Yeah, that's really interesting, Mark, because that is, I would say, for a typical corporate brand not a typical move. The typical corporate strategy would be to say, "Okay, well let's do something that is not going to offend

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anybody." When Nike did that, they had people burning Nike gear on YouTube and such. So it was in fact, a somewhat polarizing move on their part. It did irritate people. It did alienate people, but presumably it ended up making those other people feel like they're part of the brand, particularly if the numbers are in your favor.

I think if you go back and you look at the early Apple days, they were all about belonging. Before everybody and their brother had an iPhone, when it was almost a cult, they really built that up that "you are a Mac person". You are different than those PC people." They didn't mind portraying that they see people as either evil in some cases, or just kind of fat, boring doofuses in others. But they really milked that, and it was successful. Of course, now they're a victim of their own success because their brand is ubiquitous and it's no longer a status symbol, and it's not unique.

Mark Schaefer:

I think it's one of the most fascinating parts of my book. I'm guessing that this is going to be the first book published that has sort of the behind the scene commentary on why Nike did what they did, with the research to sort of back it. One of the things that's interesting is that when you start studying it, Nike was certainly the most visible, perhaps the most bombastic in terms of how they came out with this. But when you look at the industry trend there are actually quite a number of companies that are doing this. American Eagle, some of the Proctor & Gamble brands, some of the Unilever brands are now starting to do this.

There's another interesting aspect of this. In addition to being a way to connect to loyalty, it's also a way to help

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keep a brand from aging out. What I mean by that, there's a lot of iconic, familiar brands that are a lot more popular with baby boomers, but they have no relevance to Millennials and younger. One of the reasons for that is because this idea of taking a stand, and helping people connect to shared meaning is so important to the digital natives, and the younger consumers.

So, a key strategy for establish brands, and to remain relevant or to regain relevance, is to explore this strategy of shared meaning. So it's really a big deal. There's a lot of great research, a lot of great numbers behind it.

And I'm also careful in this book, I'm practical and realistic, suggesting this may not be for everybody. One of the concerns I have, Roger, is that this is an interesting trend now. I'm seeing a blog post say, "Everybody needs to take a political stand. You cannot do without this." That is not true. That is not true. Sometimes you just want a hamburger because it tastes good. Right? Sometimes you want a carwash because it's close to your house.

You need to weigh this very carefully. You need to do the research. You need to prepare for this. You need to have everything in place because there's not going back. If you make a mistake, you could severely hurt your brand or destroy your brand by taking a misstep in the wrong direction. So don't listen to the hype. Really, this is a very, very important, legitimate strategy, but it's one that really requires a lot of due diligence.

Roger Dooley:

Uh-huh. One of your other strategies for being human is to feel love, or make the consumer feel loved, and that's a loyalty strategy as well. Explain that one a little, Mark.

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Mark Schaefer:

Well, sort of the philosophy behind this is one of the problems that we have in marketing today is that we're over reliant on technology. Not because technology is bad, that's not the problem. Technology's not inherently bad. Technology is actually good. It works really, really well, and it's getting cheaper and cheaper to use. So we tend to over automate things. There's a difference between personalization versus personal, and I think people may be getting that confused. And because the control and the power has moved to our consumers, we need to be looking at their fundamental needs, their constant human needs. What are they really asking us for? What are they crying out for?

Often in marketing we see advice like, "Well, our marketing strategy, our mission starts with our 'why'." I would suggest that it's not about your "why". It's about their "why". It's not necessarily about your story. It's about their story. That's what they care about. And so we need to peel back and look at what are these fundamental human needs.

A story I tell in the book, the reason I got into marketing is my very first marketing class I ever took, I was reading from this textbook, this seminal textbook, Principles of Marketing by Dr Philip Kotler, and he explains that marketing is a combination of psychology, sociology and anthropology. Marketing is all things human, and I don't think we think of it in those terms, but we should. We usually think of marketing as being very technology driven or algorithm driven. and that's what we're focused on, keeping up with technology instead of being focused on these human needs of people want to find meaning. They

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want to belong. They want to be respected. They want to protect their self-interest, and they want to be loved.

That really ... so I have a chapter dedicated to each of those five topics, and this idea of love and loyalty sort of go together. It talks about that consumers don't necessarily love us like we think they do. But our customers, they also are crying out to be acknowledged by their favorite companies. They want to be involved in their favorite companies.

There's a fascinating statistic for Millennials that said 50 % of them said, "It's important to be acknowledged by their friends." More than 60% said, "It's important to be acknowledged by their favorite brands." Being acknowledged by their favorite companies is even more important than being acknowledged by their friends. It's a major, major consumer trend today, that they do want to be involved in these companies. They want to know what's going on. They want to feel like they belong. So we have to help our customers belong. We have to help them feel like they're truly respected as human beings.

Roger Dooley:

So, is that something that can be done at scale? In other words, just by being transparent, and showing that you're listening to consumer concerns in general, or is this something that should be done at a personalized level?

Mark Schaefer:

I think that is a major question. It really is a major question. I was talking to this analyst, and were talking about this trend called localism, and how people ... there's this major trend that's really a sign of this third rebellion that I talk about in the book, where people, they don't

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believe companies, and they don't believe ads. They only believe what they see happening in their local community.

A great example of that is, I use in the book, I talk about soap and how Ivory soap used to have 50% market share, and now it's down below 3%. This is Proctor & Gamble. It's their signature brand. It's one of their most famous brands. They've been spending millions of dollars on this thing for 100 years or more. How could they lose that much share? It's not being outsourced to India. It's not being replaced by artificial intelligence. We still need soap.

And then I had this conversation with this young woman. I was a guest at their house, and I walked into their bathroom, and they had this soap from the Knoxville Soap Company. I said, "Why did you buy this when all these other companies have been marketing to you your whole life? Why do you love this brand?"

She said, "I don't know if I love this brand, but I love the hands that made it."

She went on to tell me the story of the people who make this soap, how she truly loves them, how they're involved in the community, and they support her maker movement efforts, and how they pay their employees a living wage, and they use local ingredients, and they're trying to create a sustainable advantage in a sustainable company in the community.

Now there's some interesting things about this. She bought this soap, not really based on the characteristics of the soap. She's basing it on the person who she bought

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it from. She has this emotional connection to a person. That's where she's getting the meaning. That's where she's getting the emotion. She didn't buy this ... she wasn't in any sales funnel. There wasn't any customer journey. She didn't see any advertising. She's basically immune to advertising, and she's carrying the story to me. She is the marketer.

So, one of the hallmarks of this revolution is that this emotional connection used to be to products and product attributes, and now it's more to the people behind it. That's a long way to get to the answer to your question. Who is the person that you love at Ivory? I don't know the answer to that. I don't know if Proctor & Gamble can really keep up with that sort of a trend, or if this is a permanent move toward smaller, more local products, local candles and soaps and beer and food and anything that's more craftsmanlike.

I see some companies doing some interesting things, but I think it remains to be seen. There's not an easy answer for a big, national, mass produced product to become local.

Roger Dooley:

Uh-huh. I wonder if ... clearly a big brand can't be super local. And you mentioned craft beer, I think that as you were describing the soap thing ... I'm not into soap quite as much as I am craft beer ... and I was thinking my hierarchy kind of goes the same way. Like the last beer I might buy is a Budweiser of something, and not that it's a bad brand, but it's just not my choice. After that would be a craft beer, perhaps from Portland, which is a great beer town, or Denver or someplace. But if there was an Austin

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beer, which there are plentiful craft beers here in Austin, that would probably be my first choice.

And just as you described, she didn't evaluate the quality of the soap with great care compared to competing brands. I mean obviously in a craft beer, you've got to like the way it tastes, but it's less about finding gradations in quality, as to the story behind it. Once the person buying it says, "Oh yeah, these guys just started up. They're right off route 71, got a nice little brewery there, a tasting room. And yeah, I met the guy that started it."

You know, there's a story behind it, and that's very persuasive. That makes it taste better than something that comes out of a can.

Mark Schaefer:

Yeah, absolutely, you're willing to pay more. Here's an interesting example of a big company that is becoming local, I think, and it kind of gives me hope. I start off one of the chapters sort of poking fun at Delta Airlines as a company that's sort of still in this mass marketing mode, and I end the chapter with some stories about Jet Blue. Jet Blue is a popular airline in sort of the Northeastern Corridor, and they are very actively creating a community presence. One of the things they do, at Halloween they have one of these little popup houses in neighborhoods, in Boston and New York, where employees come on Halloween, and they sit in these houses and they give away candy.

It also gives them an opportunity to talk to them about Jet Blue, and what's going on with Jet Blue. So they're literally down in the streets, down in the neighborhoods having these conversations, and I think that's really key.

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One of my favorite quotes in the book was from, it was an executive who was with Nike. He was responsible for some of the World Cup promotions, another example of a big company that's figuring local. He said, "Today, to be successful you can't be in a city. You must be of the city. You have to get down into the streets, into the neighborhoods, into the favelas of São Paulo or wherever you are. You need to connect with the people, and relate to the people, and talk to the people, and let them see that there are humans behind the brand."

Is that scalable? It remains to be seen. But the people that figure it out, those are the ones who are going to win.

Roger Dooley:

Uh-huh. Well that's probably a pretty good, ominous message to almost close on here of our ... One final question that you are in Knoxville, Tennessee where I lived for five years, and got my business degree, and Knoxville is where you'll find the sixth or maybe eighth, depending on the ranking, largest stadium in the world, Neyland Stadium. So how are the Tennessee Volunteers going to do in football in 2019? Last year was really disappointing.

Mark Schaefer: Oh, every new season is a season of hope.

Roger Dooley: Until the first snap.

Mark Schaefer: Yeah. I don't know. You know, being part of SCC football,

with one of the most competitive conferences here in

America, there's always very, very high expectations, and

very little patience. So we'll see how it goes, but I'm

hopeful and optimistic.

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Roger Dooley:

Right. Well it's a great example of a competition where everybody's game in that league is elevated because of the competition. It has to be good to even take part. But at the same time, it makes it tough to win all the time because your competition is also excellent.

So anyway, as a reminder, we are speaking to Mark Schaefer, author of the new book Marketing Rebellion: The Most Human Company Wins.

Mark, how can our listeners find you and your content?

Mark Schaefer:

Well, it's easy to find me. I'm at businessesgrow.com. I call it businessesgrow because not many people can remember how to spell Schaefer. That ended up being a smart decision. And you can find my books, you can find my podcast and my blog, and I'd love for your listeners to connect with me there.

Roger Dooley:

Great. Well, we will link to those places, and to any other resources we talked about on the show notes page at rogerdooley.com/podcast, and we'll have a text version of our conversation there too.

Mark, thanks so much for coming back to the show, great to have you.

Mark Schaefer: Thank you, Roger. It's always a pleasure and an honor.

Thank you for joining me for this episode of The Brainfluence Podcast. To continue the discussion and to find your own path to brainy success, please visit us at http://www.RogerDooley.com.