

Four years ago, I grew frustrated with the lack of brand investment in digital marketing and set out to understand the fundamental reasons why this promising new space was still only attracting a small sliver of marketers' multi-million-dollar budgets. I discovered that the issue was bigger than tiny click-thru rates and cautious organizations. Rather, there was a need for an entirely new way of approaching marketing strategy from the ground up. The interruptive, tell-and-sell model of slick ad copy and buying eyeballs by the thousands was already showing strain, and most digital advertising tactics were simply replicating this failing marketing model.

I set out to discover an alternative path, starting with the handful of our clients that had put digital in the forefront of their strategy, and then broadening my vision to companies that seemed to be enjoying success with a completely different course. I found that these organizations had a common approach: People were choosing to engage with their marketing and they were using marketing itself to add value to their customers' lives. I called this approach "Marketing With Meaning" and captured the model in a book that was recently released: *The Next Evolution of Marketing: Connect with your Customers by Marketing with Meaning.*

This manifesto brings my search full circle, providing a supplement to *The Next Evolution of Marketing* that specifically focuses on how brand managers must reset their digital strategy to win customers in this new space.



"If consumers are spending 30% of their time online, why are Brand Managers only spending 5% of their marketing budgets online?"—Typical Digital Services Provider

"Why should I spend more money online? I never click on banner ads, and hardly anyone is 'friending' my brand on Facebook." — Typical Brand Manager

We are in the middle of the second burst of excitement around the potential of digital marketing and we are in the middle of its second failure. In the late '90s, we rode the bubble of opportunity around this new way of selling products and services to consumers, but we failed to notice that habit change and broadband penetration takes time.

Today, our target customers are actively online and embracing all manner of new digital media habits—from social networks to smart phones—and they are continuing to spend more time and money online despite the economic meltdown. But digital marketing has been mainly unable to benefit from this shift. The reason is simple: What we're giving people stinks.

The first approach for marketers, and the advertising and media agencies they employ, is to apply the old, interruptive model of marketing to this promising new space. Much of the small sliver of ad budgets that is moving to digital goes to a bevy of banners ads and traditional TV commercials re-packaged as pre-roll video. The promise of digital relationship marketing has mainly led to email programs that continuously spew sales messages. As click-thru rates drop even lower, websites unveil even bigger banner units like "The Pushdown" and "The XXL Box." And data on our customers' demographics and surfing habits is extracted without our knowledge, yet Yahoo! Mail continues to offer singles' dating sites to my wife and me.



As new digital media forms pop up, there is a predictable rush to apply the same, sad, tell-and-sell business model. Networks have quickly arisen to populate mobile phones and videogames with tiny banner ads. And your brand can now pay its way to positive product reviews on blogs and Tweets. All along the way the seemingly same circle of ex-Google engineers and smiling Venture Capitalists greedily await to monetize eyeball traffic.

Despite our giddy excitement for the next-next best thing, our customers aren't buying it. At best, people are ignoring most digital media. Over 75% of people will abandon a video if they are forced to watch a commercial first. Google executives admit that they have found no real advertising success model for their \$1.65 billion buyout of YouTube.

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Despite the torrid growth in social network use, most prominently among the "Women 35-54" that advertisers covet, eMarketer predicts ad spending on them will decline 3% in 2009. No wonder: Click-thru rates for even the most targeted social media banners are far below .1%. Facebook executives admit that traditional banner ads are neither working for them nor their advertisers.



At worst, our customers are actively taking steps to fight our marketing online.

For example, Adblock Plus, a free add-on to the Firefox browser, removes all banner ads from any website visited. It has over 6 million daily users. And citizens are close to securing government restrictions on the use of their data for behavioral banner targeting.

The digital marketing world that captured the imagination of so many of us in the industry has mainly soured the customers we claim to serve. A recent Nielsen Online study shows that the least-trusted forms of advertising are Online Video Ads, Online Banner Ads and Text ads on Mobile Phones.

And as we continue to let our customers down in the present, marketers and their agencies keep flirting with what's next—jumping on hype bandwagons in fear that they will be left behind when the world moves from Second Life to Twitter. All of this leaves many of us wondering if the Digital Marketing Revolution is D.O.A... again.

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Southwest Airlines realized that its frequent flyers will travel more often at the right price points, so it created a desktop widget that alerts people when fares to their favorite cites are on sale. By its second year the tool drove \$150 million in revenue, and in the 3rd quarter of 2008 alone it drove 10 million site visits.

Nike+ is helping runners get more out of their shoe purchases by tracking their runs, providing training guidance, and promoting competitive challenges. 30% of users return to the site more than once per week, and the line was credited with growing company profits by 8%.

Kraft's iFood app for the iPhone includes 7,000 recipes, a store locator and instructional videos. It is marketing that is actually sold for \$.99, and it met the company's 3-year download goal in a matter of weeks. The app has helped the brand build new relationships with young couples.

These examples are all working for these leading brands at a time when a most traditional marketing is not. These marketers have realized that, at long last, when all forms of interruptive advertising have failed, the only decent thing to do is to create marketing that people find valuable. I call it "Marketing with Meaning"—and digital is often the best way to deliver on this new standard of business success.

There are two key requirements to deliver Marketing with Meaning: First, it must be marketing that people choose to engage with. This is a high bar, but intentional attention is the currency of the new world of ideas and brands.

Second, it is marketing that itself improves people's lives—whether people purchase your product or service immediately or not. It is no longer enough to create a *product* that improves people's lives and use the bludgeon of annoying advertising to push them to buy it. Rather, we must provide something of value first to earn their attention, trust, and loyalty beyond reason.



Marketing with Meaning is an approach where digital is uniquely suited to win. Digital technology is radically improving industries and people's lives in countless ways. It allows marketers to provide services, hold conversations, adjust to preferences, and create experiences. Marketing with Meaning is a strategy worthy of our digital revolution, and it should be the starting position as your business looks to move marketing online.

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Great concept, but how do you put it into action for your business, right? Well, to help brands find their place, I created a guiding framework called the Hierarchy of Meaningful Marketing. It is loosely based on Maslow's Hierarchy of Needs, which continues to be the strongest model of understanding what is meaningful to consumers.

At the base level is what I call **Meaningful Solutions.** At minimum, your marketing should offer valuable information, incentives and services.

As an example, let's start with the most basic form of marketing—the coupon. Getting an extra financial incentive to try a new product has been around forever, but needs a boost to match new habits. To make this more meaningful, in 2007, Procter & Gamble and Kroger launched eSaver, a tool that lets people skip the Sunday newspaper and go online to see weekly coupon offers. They simply check off what interests them, a credit gets automatically loaded onto their shopper card, and when they buy the product the discount is deducted automatically. More than 100,000 people signed up for this in the first month. The program also drives shopper card registration, provides fraud protection, and allows unprecedented data analysis.



Another great example of Meaningful Solutions is the Domino's Pizza Tracker. This was launched in January 2008, mainly as a cost savings tool to assist the surprisingly high number of people who call back to ask how their order is coming along. Despite no advertising (but a ton of PR coverage), and only being available in half its stores, the tool was used by over 1 million people in its first 2 months. Today, online orders account for 28% of all Domino's sales, and the tool is used by 75% of these customers. The Pizza Tracker has been expanded to all stores, and is accessible via Facebook, Twitter, TiVo and mobile devices.

From here, some brands are able to graduate to a higher level that I call Meaningful Connections. Brands that win here are able to create entertaining experiences that people wish to share.

For example, the Healthy Choice brand at ConAgra Foods realized that 60% of office workers regularly eat lunch at their desks, and spend much of that that time surfing the Net for fun. The brand chose to add value to this time by creating live lunchtime entertainment. Dubbed "Working Lunch", it was a cross between The Office and Who's Line is it Anyway? in which actors from Second City in Chicago staged improv sketches where the viewing audience could vote on what happens next. This program was viewed more than 5 million times, and helped drive the success of the new line of Healthy Choice Café Steamers.

Another example comes from brands that use ecommerce to give people the chance to personalize products. Here, customers are literally making your brands their own, and enjoying both the experience of creating personalized products and then sharing them with friends and family. Brands that have won here include Jones Soda, Lego's, and M&Ms. MyM&Ms sells one 7-oz pack for \$12.99, minimum 3 packs, plus shipping and handling. Company management credits this platform with "nothing less than revitalizing the brand."

Finally, a rare few brands are able to reach the highest level of meaningful marketing—what I call **Meaningful Achievement.** Here, the marketing is helping people improve themselves, their families, and the world they live in.

Some of the best examples come from a handful of health care companies that are thinking far beyond TV commercials and branded websites. For example, the diabetes business at Abbott saw a huge unmet need for people to better understand how to manage their diet and get exercise. So it created Diabetes Control for Life, a free online service that provides a detailed meal planning tool and a 24-week program that is clinically proven to reduce weight and A1C levels (a key measure of the progress of the disease). Not only is this program proven to help people better manage their disease, but participants are buying significantly more Abbott products.

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Cause marketing can fit in very well here when it is done well. One much loved example is that of the Innocent brand of juices in the UK. The company learned of a little known tragedy—that more than 25,000 older people in the nation die from cold-related illnesses each year. So it created a promotion in 2003 called "The Big Knit," in which small knit hats are placed on bottles in Sainsbury. In addition to raising overall awareness of this largely unknown issue, for each bottle sold the company contributes the equivalent of \$1 to an organization that provides hot meals and blankets. It uses the Internet to help consumers participate in the event—videos and diagrams show people how to knit caps at home, and a Flickr account and blog track the fun and success of the campaign. And all of its employees are involved.



As you can see from these examples, the concept of Marketing with Meaning can be adapted and applied to any business or organization's specific needs and brand equity. It is a model that works for B2B marketers, for services as well as for products, and in developing markets as well. It only requires an understanding of the higher level needs that your customers require, and higher-level benefits that your brand can provide.

In fact, this approach is also a useful as a lens through which to view the right way to use the new media options that come along so frequently. In mobile, for example, we are unlikely to see mass adoption of banner ads on this tiny screen or interruptive offers as you walk by a sandwich shop. Instead, it is already generally recognized that the best way to win in mobile marketing is to develop value-added apps. Success models include the Charmin public toilet locator and the Car Accident Toolkit app from Nationwide Insurance.

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Gaming is another hot area attracting customers' time and marketers' budgets. Few of them are excited about being part of an in-game network that populates virtual billboards on in-game auto racing courses or football stadiums. But bands that offer free songs on Guitar Hero are helping get their albums off the ground, and the movie Tropic Thunder got opening-day buzz from gamers after offering a free scavenger hunt level for the game Rainbow Six: Vegas.



Aside from serving as a guidepost on the move to digital marketing and a potential tool for your brand to deliver higher levels of share and sales, Marketing with Meaning offers a model for you and the members of your organization to achieve greater personal satisfaction.

Maslow believed that the path to human happiness is best achieved through worthwhile work. Management Theorist Douglas McGregor found that people want their companies to stand for something, and that they will give their best effort when they are working toward a cause they believe in. In his best-selling book, The Dream Manager, Matthew Kelly suggests that, "When employees believe that what they are doing is helping them to accomplish their personal dreams they can tolerate quite a bit. Highly engaged employees tend to have a vision that they are working toward."

Many of us who left the world of traditional marketing for the digital realm did not go solely for fame and fortune. Rather, we saw the opportunity to be a part of something bigger—to help shape the world into a better place. Managers who have adopted a meaningful marketing model are reaching this highest level of personal success.

I wish you luck and success on your personal journey, and if you ever need some extra help or motivation, come to join our tribe of meaningful marketers at marketingwithmeaning.com. \(\bar{\bar{\bar{a}}} \)



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Get more details or buy a copy of Bob Gilbreath's The Next Evolution of Marketing.

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