



Marketing *Mismatch*

When New Won't Work with Old (Riffs on *Meatball Sundae*) By Seth Godin

Part I: A meatball sundae?

WHAT'S A MEATBALL SUNDAE?

Maybe this is familiar. It is to me, anyway:

You go to a marketing meeting. There's a presentation from the new Internet marketing guy. He's brought a fancy (and expensive) blogging consultant with him. She starts talking about how blogs and the "Web 2.0 social media infrastructure" are just waiting for your company to dive in. "Try this stuff," she seems to be saying, "and the rest of your competitive/structural/profit issues will disappear."

In the last ten years, the Internet and radical changes in media have provided marketers everywhere with a toolbox that allows them to capture attention with seemingly little effort, planning, or cash. Six years after the dot-com boom, there are more Web sites, more email users, and more viral ideas, online and offline, than ever before. There are hundreds of cable TV networks and thousands of online radio stations. Not to mention street marketing, email marketing, and MySpace.

Corporations, political parties, nonprofits, job-seekers, and yes, even people looking for love are all scrambling around, trying to exploit the power of these new tools. People treat the New Marketing like a kid with a twenty-dollar bill at an ice cream parlor. They keep wanting to add more stuff—more candy bits and sprinkles and cream and cherries. The dream is simple: "If we can just add enough of [today's hot topping], everything will take care of itself."

Most of the time, despite all the hype, organizations fail when they try to use this scattershot approach. They fail to get buzz or traffic or noise or sales. Organizations don't fail because the Web and the New Marketing don't work. They fail because the Web and the New Marketing

work only when applied to the right organization. New Media makes a promise to the consumer. If the organization is unable to keep that promise, then it fails.

New Marketing-whipped cream and a cherry on top-isn't magical. What's magical is what happens when an organization uses the New Marketing to become something it didn't used to be-it's not just the marketing that's transformed, but the entire organization. Just as technology propelled certain organizations through the Industrial Revolution, this new kind of marketing is driving the right organizations through the digital revolution.

You can become the right organization. You can align your organization from the bottom up to sync with New Marketing, and you can transform your organization into one that thrives on the new rules.

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Part II: Thinking 'bout a revolution

TALKING 'BOUT A REVOLUTION...

Everyone studies the industrial revolution in school but most of us don't really understand it. The basic idea, it seems, is that Henry Ford, Eli Whitney and some guy with rifles invented the assembly line and the whole world changed in about a week.

Actually, we've had several industrial revolutions over the last 250 years. While the assembly line, the invention of the corporation and improvements in transport appear to be the obvious causes, it's easy to forget that in just a few generations we saw changes in every element of what it meant to be in business. Standardized quality control, innovative product design for utilitarian products, employees (!), branding, investment, advertising, insurance, product development... the list is miles long.

Why care?

Because just sixty years ago, there was another revolution. This one was caused by the triumph of mass marketing. General Foods, General Motors and the rest of the consumer-focused Fortune 500 are organized around a single idea: that efficient factories making average stuff for average people could triumph.

GM had a great run. So did tons of other companies. They figured out how to make stuff in large quantities. Run big factories. Hire and manage large numbers of people. The age of advertising ushered in a revolution that had more impact on organizations (and the planet) than any that came before it.

The Meatball Sundae is an idea that's possibly even bigger than that one. When mass marketing dies, the future of the companies that embrace this approach dies too. We're living through a wholesale change, but all most of us can do is worry about the color of the links on our blogs.

The Meatball Sundae has a subtle but subversive lesson: change the media, and the organizations change too. Kiva instead of the American Heart Association, Amazon instead of the local bookstore, MoveOn instead of the DNC.

We're spending a ton of time arguing about tactics, social networks and adwords. Behind the scenes, an even bigger revolution is brewing. It's the one where entire organizations change in response to the lever of the change in marketing. Henry Ford could have said, "we're all manufacturers" and been right. Today, we can say, "we're all marketers," and we will be just as right.

Every time the deck is reshuffled, the early players profit. You and I don't have the chance to build a mass media company ever again. But every organization has the chance to reinvent and grow in the face of the huge opportunity today's shift brings.

This sounds hard. It's not. Once you understand the key forces at work (I figure there are about 14 of them) it's actually easier to go with the flow than it is to fight it.

This is way too conceptual for a blog post or even a useful book, so I guess I'll ask the question this way: If you were alive in 1947 and knew what you know now about the last sixty years of mass marketing, what would you have done? What would you have built? Was it just about making better TV commercials?

Part III: Columbus Day special

GOOGLE AND DISCOVERY

Google and the other search engines have broken the world into little tiny bits. No one visits a Web site's home page anymore-they walk in the back door, to just the place Google sent them. By atomizing the world, Google destroys the end-to-end solution offered by most organizations, replacing it with a pick-and-choose, component-based solution.

Columbus is the center of a popular fable about discovery. He set out to find something, got lost along the way and instead gets credit for an ever bigger find. The analogy of the web is pretty much a stretch, but here goes: people don't always find you the way you want to be found.

Not only are there literally a million ways to discover you and your offerings, but people hear your story the way you want it to be heard. The idea of a home page and a site map and a considered, well-lit entryway to your brand is quaint but unrealistic.

I can clone a frog from one skin cell--and get the whole frog.

Can I clone your brand from one interaction, from one web page, from one referral?
Whether I can or not, I will.

The means that bundling is harder than ever.

Bundling was the glue that held together almost every business and organization.

Bundle donations and parcel them out to charities that deserve them.

Bundle TV shows and present them, with ads, on your TV network.

Bundle the items in your industrial supplies catalog and hand it to the business buyer.

Bundle thirty businesses and house them in one big office tower.

The Yellow Pages is a multibillion-dollar business that consists of nothing but bundled ads for local businesses. No one wants to keep a flyer for every business in town, but everyone has a copy of the Yellow Pages.

Book publishers bundle authors and share the expertise of their staff, their sales force, and their capital in order to bring books to readers.

We've been doing the bundling so long, we forgot we were doing it.

The world just got unbundled. Like it or not, there you are.

Part IV: No insulation

NO MIDDLEMEN

Perhaps the biggest change the new marketing brings is the easiest to overlook, mostly because it's so obvious.

Every organization now has the ability (and probably the responsibility) to deal directly with the world. With customers, with prospects and with those impacted by their actions. No middlemen.

The president of the bank isn't used to hearing from a customer about to lose her house. A retailer in Tucson isn't used to hearing from a potential customer in Nebraska. A rock star is used to being entertained by A&R guys, not by maintaining a permission list of 100,000 customers and 55,000 MySpace friends.

This direct connection is an asset or a risk, depending on how you look at it.

The asset (the only asset, pretty much) that can be built online is permission. The privilege of marketing to people who want to be marketed to. This asset is big enough and valuable enough to build an entire business around (witness Scott Adams and Amazon) and it upsets traditional power structures in just about every industry.

More important, it leads to the idea of "no insulation."

Sonos makes a device that would have been inconceivable only ten years ago. The Sonos system is a remote control (with an LCD screen), a hard drive, and a box. The box hooks up to your stereo speakers, and the hard drive holds all your MP3 files. You can use the remote to review your entire music collection and play it anywhere in your house. Add more boxes, add more rooms.

One hard drive can be used to let your daughter play Mahler in her room while you listen to Coldplay in the kitchen.

While the idea is simple, and installation is a snap, the products Sonos replaces weren't simple or easy. As a result, multi-room speaker systems were sold by consultants-the sort of private services that cater to multimillionaires and their homes. At a recent CEDIA Show (the conference for installers), one of the categories was "Best Installation over £100,000."

If you were in that business (companies like Runco and Stewart Filmscreen), you catered to the CEDIA installers. You let them be the middlemen, the service and support people, the installers, and yes, the folks that made most of the profit. The installers guided many of the decisions that their clients made, and you were at their mercy.

Sonos sells a product for about a thousand dollars. That's less than the gratuity on most custom installations. As a result, Sonos decided to use the Web to allow consumers to interact with them directly.

In addition to a well-designed discussion board, Sonos invested in motivated, well-trained online staff members, who are seemingly everywhere, answering questions within a few minutes of them being asked. Sonos has pleasant technicians answering the phone on weekends. They not only publish their email address, but actually answer queries (and helpfully) in a matter of hours.

Of course, Sonos is still happy to work with the CEDIA crowd. But by embracing the ideas of accessibility and speed, they have made their product appealing to people who could easily afford to spend ten times as much.

How will their competition catch up? How can their competition simultaneously jettison their entire sales force, dramatically increase the quality of their customer service, lower their end pricing by 70%, and make the product consumer friendly? They can't.

When everyone was playing by the same rules, when all suppliers relied on insulation in order to maintain margins and keep throughput efficient, it was a terrific system. But as soon as one player in the industry can use a direct connection to the end consumer, the rules change for everyone.

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Part V: Everyone's a critic

JOANNE IS COMING!

Joanne is coming!

One of my dearest friends is Joanne Kates, the restaurant critic for *The Globe and Mail*, the most important newspaper in Toronto. Joanne carries a credit card with someone else's name on it (I promised I wouldn't say who). Despite her precautions, her picture is posted in the kitchen of dozens of top restaurants. Why? Because once a restaurant knows that Joanne is wearing a wig and sitting in the dining room, the staff can influence the review.

Once a server knows it's her, he can make sure the service is perfect, the food is hot, and the check is calculated properly. Once he knows it's her, he can guarantee that the staff will do their best.

You've already guessed the problem with this strategy. The problem is Zagats (and Chowhound.com, and a thousand other restaurant blogs). There isn't just one Joanne Kates in Toronto anymore. Now there are thousands.

You can no longer be on the lookout for Joanne. Now you have to be on the lookout for everyone.

Part VI: Short!

NO ATTENTION LEFT

Short books, short shows, short commercials, short ideas...

In 1960, the typical stay for a book on the *New York Times* bestseller list was 22 weeks. In 2006, it was two. Forty years ago, it was typical for three novels a year to reach #1. Last year, it was 23.

Advise and Consent won the Pulitzer Prize in 1960. It's 640 pages long. On Bullshit was a bestseller in 2005; it's 68 pages long.

Commercials used to be a minute long, sometimes two. Then someone came up with the brilliant idea of running two per minute, then four. Now there are radio ads that are less than three seconds long.

It's not an accident that things are moving faster and getting smaller. There's just too much to choose from. With a million or more books available at a click, why should I invest the time to read all 640 pages of Advise and Consent when I can get the idea after 50 pages?

Audible.com offers more than 30,000 titles. If an audiobook isn't spectacular, minute to minute, it's easier to ditch it and get another one than it is to slog through it. After all, it's just bits on my iPod.

Of course, this phenomenon isn't limited to intellectual property. Craigslist.org is a free classified-ad listing service. A glance at their San Francisco listings shows more than 33,000 ads for housing. That means that if an apartment doesn't sound perfect after just a sentence or two, it's easy to glance down at the next ad.

Part VII: One story...

WHY GEORGE ALLEN ISN'T RUNNING FOR PRESIDENT

It was a great Web moment. George Allen was the Republican Party's next star, anointed as a potential candidate for president in 2008. But first he had to win the Senate race in Virginia, considered by many to be a layup for him.

The traditional way to run a political campaign is to control your message. Control what you say and when you say it. Control who hears it.

Tell one story to your raving fans, and a more moderate story to people in the center.

As voters have seen again and again, politicians are good at this. Some people call it lying. But in general, politicians have gotten away with it.

The top-down, control-the-message strategy worked in the past for a few reasons:

- Media companies were complicit in not embarrassing the people they counted on to appear on their shows and authorize their licenses.
- Politicians could decide where and when to show up and could choose whether or not they wanted to engage.
- Bad news didn't spread far unless it was exceptionally juicy.

But George Allen discovered that the rules have fundamentally changed. Allen's challenger asked S.R. Sidarth, a senior at the University of Virginia, to trail Allen with a video camera. The idea was to document Allen's travels and speeches. During a speech in Breaks, Virginia,

Allen turned to Sidarth and said, “Let’s give a welcome to Macaca, here. Welcome to America and the real world of Virginia,” said Allen. As I write this, YouTube reports that Allen’s slur has been watched on YouTube more than 318,000 times. Add to that the pickup from the broadcast media (which picked it up because it was popular, not because it was “important”), and you see why George Allen lost the election.

The ironic part of the appearance is that the first words out of Allen’s mouth on the tape are, “Ladies and Gentlemen, we’re going to run positive campaign.” The story didn’t match the facts, and the facts showed up on YouTube.

For non-politicians: You can’t tell two stories at the same time. Not for long.

Part VIII: The wealthy are like us

THE DEMOCRATIZATION OF WEALTH

Rich people used to all be the same, just different from the rest of us. Now they're not just different from the rest of us, but different from each other.

Rich people used to do similar jobs, wear similar clothes, live in similar neighborhoods, and read similar magazines. As a result, marketing to rich people was pretty easy. No longer. As the gulf between rich and poor continues to widen, the number of people considered rich increases daily, and the diversity of the rich increases as well.

It turns out that not only are the wealthy like us, they are us. Despite the widening gulf, there are more wealthy people than ever before. In fact, you're probably one of them. Michael Silverstein and Neil Fiske of BCG talked about this in their book, *Trading Up*, and the trend has only become more pervasive.

That means there are rich NASCAR fans, rich porn stars, rich entrepreneurs in Kenya and rich teenagers. Every silo is discovering it can create a top tier.

Part IX: The Long Tail

(ALMOST) EVERYONE WANTS CHOICE

Choice makes some people stressed and unhappy. But it also makes lots of people happy. And now people have the choice

By itself, a bias for choice is interesting but not particularly surprising. What's surprising is the magnitude of this desire. My favorite example is the comparison of a typical Barnes & Noble store with Amazon. If you examine the sales of the 150,000 titles in a big store, you'll see that they account for perhaps half of Amazon's book sales. In other words, if you aggregate the millions of poorly selling titles on Amazon, they add up to the total sales of all the bestselling books in the physical world put together.

Another way of looking at it: More people watched more video on YouTube last week than watched the top ten shows on network television.

Another way: A quick look at your grocer's beverage aisle will prove to you that Coca-Cola is no longer the most popular soft drink in the country. The most popular soft drink is "other": none of the above.

The mass of choices defeats the biggest hit.

This curve shows up over and over. It describes travel habits, DVD rentals, and book sales. Give people a choice and the tail always gets longer. Always.

The Long Tail has been around forever, but only now does it really matter. That's because of several trends working together:

- Online shopping gives the retailer the ability to carry a hundred times the inventory of a typical retail store.
- Google means that a user can find something if it's out there.
- Permission marketing gives sellers the freedom to find products for their customers, instead of the other way around.
- Digital products are easy to store and easy to customize.
- Digital technology makes it easy to customize non-digital goods.

Part X: Thinking about AdWords

Google AdWords is a very simple idea that's surprisingly little understood. On every page of Google search results, in your Gmail and your Froogle results, and more and more on the pages of other Web sites (like Squidoo or the *New York Times*), you'll find these ads.

The AdWords are smart. They appear based on the context of what you're doing. Search for "Bextra" in Google and you'll find plenty of articles about this discontinued pain reliever. But look over at the ads and you'll see that many of them belong to law firms. These firms are paying handsomely for your attention. They are filing class action lawsuits on behalf of people injured by Bextra, and the law firms figure that the very best way to reach those people is to find them at exactly the same moment that those people are looking for them. In other words, instead of racing around trying to generate attention, the firms merely stand by and wait for attention to find them.

Not since the Yellow Pages has there been a ubiquitous directory that brings together the searchers and the sought.

Not only do AdWords show up at the right time, but they are also priced intelligently. The Yellow Pages charged based on the size of the ad, and you paid whether the ads worked or not.

For AdWords, on the other hand, Google charges by the click. This means that the advertiser determines what it's worth to get a visit from an interested, qualified, and motivated consumer and pays exactly that. If someone else is willing to pay more, they get the traffic instead.

The bidding system means that the advertisers with the most motivation pay the most for top billing. At the same time, Google will adjust placement based on how many times an ad is clicked on. As a result, the ads that run the most are focused, relevant, and beneficial to both sides.

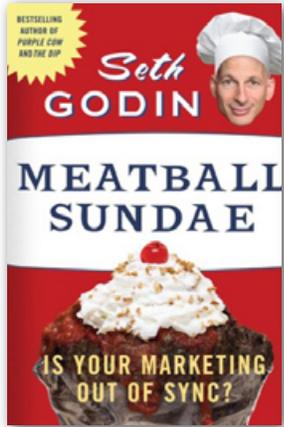
While this is clearly good news for Google (millions of businesses and organizations bidding against each other, with all the money going to Google!), it's also great news for marketers. Even marketers who don't think of themselves as marketers.

The Kahn Law Firm probably thought of themselves as litigators, not marketers. But by using AdWords to assemble a large class of people who saw themselves as victims of a poorly labeled medication, Kahn has an advantage over other law firms. Kahn wins this round not by using their litigation skills, but by understanding the New Marketing.

Every day, hundreds of millions of people do hundreds of millions of searches on Google. Each search is its own "channel." Each search represents a distinct marketing vehicle, a chance for an individual to directly connect with a marketer. 📍

The content of this manifesto originally appeared on Seth Godin's [blog](#) as Meatball Mondae entries.

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ABOUT THE AUTHOR

Seth Godin is a bestselling author, entrepreneur and agent of change. Author of eight books that have been bestsellers around the world: *Permission Marketing*, *Unleashing the IdeaVirus*, *The Big Red Fez*, *Survival is Not Enough*, *Purple Cow*, *Free Prize Inside!*, *All Marketers are Liars*, *Small is the New Big*, *The Dip*, and *Meatball Sundae*, he is also the editor of *The Big Moo*, founder and CEO of [Squidoo](#) and one of the most popular business bloggers. Simply, Seth Godin changes the way people think about marketing, change and work. Home page URL: www.SethGodin.com (Click on his head to read his blog.)

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