

CHAPTER 1

Shopping Has Changed . . . Has Your Marketing?

The fundamental task of marketers is to spread the word about their products and services in order to get people to buy them. To accomplish this task, marketers use a combination of outbound techniques including e-mail blasts, telemarketing, direct mail, TV, radio, and print advertising, and trade shows (or expos) in order to reach their potential buyers. The problem with these traditional marketing techniques is that they have become less effective at spreading the word as people get better at blocking out these interruptions.

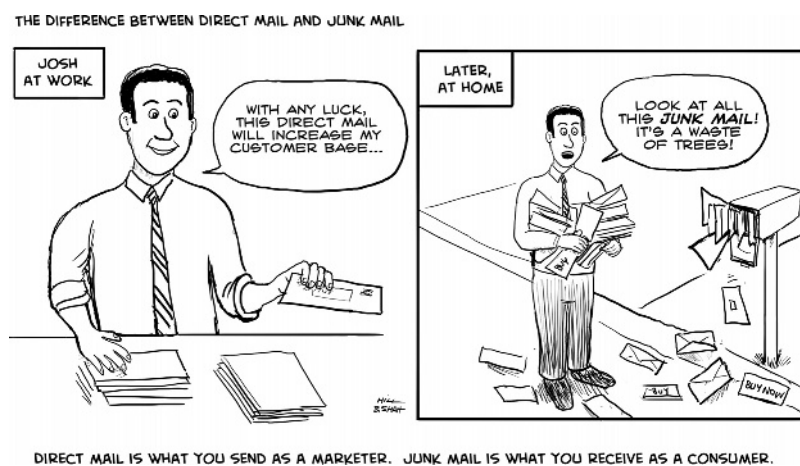
Ten years ago, buying a large e-mail list of “targeted names” and sending newsletters and offers to addresses on this list worked well. Internet users now routinely employ spam filters, and the National Canned Spam Act limits a marketer’s ability to send “unsolicited messages” to people with whom the company does not have a relationship. According to the research firm MarketingSherpa, the average open rate for an e-mail blast has gone down from 39 percent in 2004 to 22 percent in 2008.

Ten years ago, hiring your own internal sales force or contracting with an external telemarketing firm worked

4

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well. More recently, Caller ID has become a standard feature on home, work, and cell phones, and increasing numbers of people are signing up for the national Do Not Call Registry. A well-trained telesales rep can go a full day without having a decent conversation with a prospect.



Ten years ago, sending a piece of direct mail to a large list of people was an effective way to get business—just ask the credit card companies—because people looked forward to opening their mail. Mailboxes are full of junk mixed in with a few bills, so people pay less attention to them.

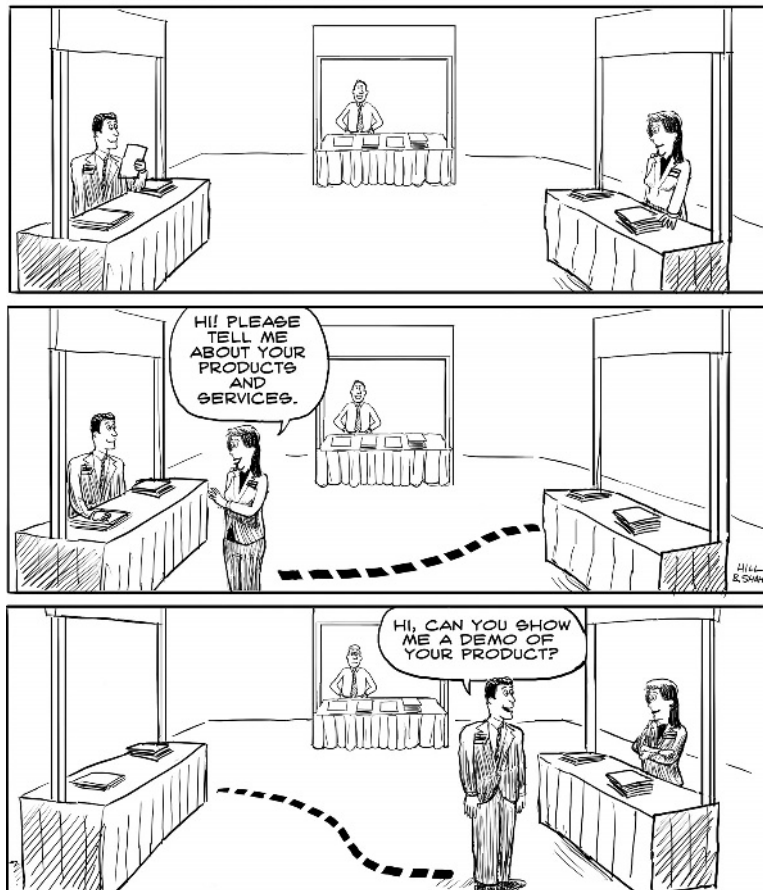
Ten years ago, spending tens or hundreds of thousands of dollars on a TV advertisement was a guaranteed way to reach a large audience. More recently, people use TiVo/DVRs to skip advertisements, and in addition the plethora of available TV channels and the rise of great video content online, make choice the advertiser's enemy.

Ten years ago, radio ads were heard by people in their cars, homes, and workplaces. Today, the emergence of XM/Sirius radio has dramatically lowered advertising's reach, and

the emergence of the iPod and iTunes has dramatically lowered the amount of radio people listen to at home and at work.

Ten years ago, a trade show was a surefire way for businesses to reach a business audience. Today, many trade shows have either gone out of business or have seen a significant decline in attendees due to people preferring to not spend money on flights, hotel costs, etc. Many people visiting trade shows now are job seekers and other vendors.

OVERCOMING TRADESHOW DEPRESSION



WITH NO PROSPECTS VISITING THEIR BOOTHS, JOE AND SUE GIVE EACH OTHER MORAL SUPPORT.

6

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Ten years ago, the trade publication was subscribed to and carefully read by most of your marketplace. Today, trade publications have been losing subscribers and laying off staff. These highly-qualified people are now starting blogs—some of which have become more popular than the trade publication.

The bottom line is that people are sick and tired of being interrupted with traditional outbound marketing messages and have become quite adept at blocking marketers out!

Who Moved My Customers?

People shop and learn in a whole new way compared to just a few years ago, so marketers need to adapt or risk extinction. People now use the Internet to shop and gather information, but where on the Internet do they go—and how do they use the Internet for these activities? We can break the Internet down into three main areas.

People primarily shop and gather information through search engines, such as Google. The average information seeker conducts dozens of searches per day—and, rather than listen to a sales rep, read a spam message, watch a TV ad, or fly to a trade show, most people find it easier to sit at their desks and find the information online through Google. In order to take advantage of this new reality, marketers need to change the way they think about marketing—from the ground up.

Another place people use to gather information is the blogosphere and its over 100 million blogs (as of this writing). Virtually every industry and consumer niche you can think of has a cadre of online pontificators, many of whom are quite good. Your target audience is no longer reading the trade publication, and instead is searching Google and

subscribing to blogs written by the folks who used to write for the trade rag.

The third place people learn/shop is in the social mediasphere—the name for the collection of social “media” sites such as Twitter, Facebook, StumbleUpon, LinkedIn, Digg, Reddit, YouTube and others. These sites started as niche techie sites, but are becoming mainstream.

To be successful and grow your business and revenues, you must match the way you market your products with the way your prospects learn about and shop for your products. And you do that by generating leads through inbound marketing.

Inbound in Action: Barack Obama for President

Regardless of your political views, you can apply the marketing principles Barack Obama used in his 2008 presidential campaign—a brilliant example of how to effectively use inbound marketing to beat bigger, better-funded rivals.

In the run up to 2008, Barack Obama was a little-known first-term senator from Illinois up against a well-known, well-funded Hillary Clinton machine. Early in the race, Obama realized that using the same outbound marketing rules that Hillary would likely use would put him on the same playing field—but *the field would be slanted her way*.

Because he initially had less funding, Obama couldn’t compete with Hillary and her e-mail blasts, telemarketing, direct mail campaigns, and TV and radio advertising. Instead of playing by the old rules, he made different rules altogether—many of which relied heavily on inbound marketing. “The aim of our online campaign,” says Chris Hughes,

co-founder of Facebook and Obama's Internet Strategist, "was to help individuals understand the values of Barack Obama and of our campaign and then to make it as easy as possible for them to actively engage with the campaign's work. We tried to open as many direct channels of communication as possible—using e-mail, text messages, online networks—and then equip them with the tools to spread the campaign's message using networking technology such as My.BarackObama.com and Facebook."

The strategy worked. Americans were able to connect with Obama via his blog, Facebook page (5,800,000 supporters and counting), Twitter (450,000 followers and counting), LinkedIn (13,000 members and counting), and YouTube (21,000,000 views and counting), among other social networks and web sites. The rest, as they say, is history.

Eric Frenchman, John McCain's online consultant and Chief Internet Strategist for the online political agency Connell Donatelli, Inc., commented on the candidates' use of social media throughout the presidential campaign. (His comments were compiled by Jon Clements who writes the *PR Media Blog* found at <http://pr-media-blog.co.uk>.) Keynoting the Future of Digital Marketing event in London, June 2009, Frenchman called search marketing "the great equalizer" and the "one place where you can compete or even beat your competition with less money." He also noted Obama's ability to use Facebook effectively: creating "register to vote" widgets helped him amass over three millions Facebook followers versus McCain's 610,000. Frenchman also made a point that to us is a key to using social media effectively—rather than use Twitter to engage in conversations with people, McCain used it as a "one-way communication vehicle." In other words, he

wasn't listening to his constituents but instead was talking "at" them.

Whether you agree or disagree with the candidates is now moot. The moral of the Obama campaign is this: inbound marketing, if done right, is a very effective way to reach your prospective customers. How to do inbound marketing right is what you'll learn in this book.

To Do

1. Keep reading this book for "how to" advice.
2. Visit www.barackobama.com and look around.
3. Get fired up to take your market by storm.
4. _____
5. _____
6. _____

(We left these blank for you to write in other "to do's" that come to mind.)

