

Customer first thinking.



Context Marketing

An Interview with Mathew Sweezey, Director of Market Strategy at Salesforce

Mathew Sweezey:

Mathew Sweezey is the Director of Market Strategy at Salesforce and the author of "The Context Marketing Evolution".



We've heard the warning cry countless times before: *This is the end of marketing. Traditional marketing is dead. Marketing as we know it is over.* As far back as 20 years ago, we were hearing it, when mass marketing had collapsed due to media fragmentation. We heard it again with the dramatic decline of print and broadcast media. And then we heard it again with the rise of social media. Yet each time marketing found a way to adapt. Budgets got shuffled around. New marketing disciplines emerged - some faded away. But fundamentally the classical marketing model never really changed much. The job of marketers stayed pretty much the same: to promote the brand using whatever mix of media made sense.

This time, however, it feels different. This global pandemic has blasted away any semblance of normality. When people do climb out of the economic shell hole, how likely is it that they'll be ready to pick up right where they left off? Even if a vaccine is found soon, people can never be immunized against the profound disruption to their lives. Attitudes will have permanently shifted – new habits formed – old

assumptions discarded. People will be ready for something different. Something more meaningful. Maybe they'll stop thinking that what you buy is who you are – effectively, putting an end to consumerism.

Marketers have always been on the front lines of change. Which is why each leap forward, each inflection point, each seismic shift, brought a new set of existential challenges. In the past embattled marketers paused to consider the ramifications – and then figured out a way to stay relevant. The shift from analogue to digital is an early example. Another is the shift from web to mobile. And more recently the rise of streaming video has brand marketers doing pirouettes. But now, in the face of widespread social and economic paralysis, marketers truly have to think differently. Otherwise they'll be of little use to businesses digging out from under the rubble.

The brand experience can no longer be thought of separately from the customer experience. They are one and the same. The answer to every market opportunity can no longer be an ad. Today experiences trump messaging. Which means marketing must operate with a new mandate: to lead innovation in the interest of creating value for customers.

Mathew Sweezey thinks that marketing has already died. In his new book "The Context Marketing Revolution" he says that we've entered a new era of what he calls "infinite media" which marketers have no chance of harnessing to suit their aims. The only way for marketers to adapt is to envision their role in business. Instead of finding new ways to piggyback on the constantly expanding universe of media, marketers should focus instead on helping people achieve their goals.

As head of Marketing Strategy at Salesforce, Mathew is in a unique position to ponder the future of marketing. He oversees the always much anticipated and oft-quoted Salesforce State of Marketing study.

Plus, his work allows him to explore the frontier of marketing, learning from top performing organizations. He channels that learning into the talks he gives around the world. Mathew is also the author of a Marketing Automation for Dummies book which is still a top seller seven years after it was published. That's where I began the interview, asking him to explain its perpetual popularity.

MS

Mathew Sweezey (MS): Oh, geez. I really have no idea. I can take some stabs in the dark. One is technology changes radically fast. So, one of the reasons the book that I wrote still is relevant is because I didn't write it about technology. I wrote it about a new way of thinking about what the new technology allows you to do. So, one of the hardest things for me to do with the publisher...the publisher imagined me writing this book and like, you know, "Click this button and set up this technology." And I realized that if that was the case, then that book would be irrelevant in six months. So, rather than doing that, what I wanted to do is focus more on the theoretical aspects of how this actually changes the entire notion and idea and role of marketing. And how this is not just a new tool to apply the old methods, how you really have to think very differently about marketing, step one, and then how this then opens itself up to then a very different type of marketing. And so, that's why that message still resonates through that book and many years later, and maybe why you don't see some books come out because if we write a book and it's about a technology, about how to use it, it can be pretty much irrelevant in a very short amount of time. So, maybe that's the case. And also we see a lot of different types of books, right? You've got vendors coming out with different formats of books, there's just different ones, but I guess that's the best guess I got on that one.

SS

Stephen Shaw (SS): Well, we went through a process here about a year ago of searching for an enterprise solution. We looked at all of the major vendors, including Salesforce, and to say that it's a confusing, bewildering exercise would be to understate that experience. And even for someone like myself, fairly close to it, I can't imagine what it must feel like for the average marketer who must seem bewildered by all of the solutions out there, there are literally thousands, as you know. There seems to me, actually a need to help people cut through all of this and understand what forms that marketing stack today, what should be in it, how should they be thinking about it? What are the tradeoffs? So, is there a need for a "Marketing Automation for Dummies" version two?

MS

I don't know if there's a need for "Marketing Automation for Dummies" version two, specifically, as it proposes to marketing automation. But you do hit on a very good point right there. I mean, if you followed the statistics since 2011, there are now 50 times more marketing technologies available, 50 times more than were available in 2011. It's a radical...it was 45 last year and I'm just assuming it's 50 more this year, but it's just a radical, massive change, right? You know, we opened up this floodgate and, you know, the dollars are on the marketing side because every brand needs more leads. And this is where we're, you know, driving more business through these technologies. And you're right, it's a massive, complicated landscape to maneuver through. So, it is very difficult, but does it need another book for it? I don't know if it needs another book. I would like to see more brands being helpful to consumers. I think most of the marketing that a lot of these technology companies do, it's more or less like, you know, "Here's the data point on why you need to buy my product, now, buy my product. If you don't buy my product then my sales rep will call you five times, send you six emails because I bought technology to allow my sales rep to know exactly when to call you and automate emails to go to you." So, it's a very bombarding and difficult process for all people. So, I'd love to see brands help people more through the process rather than just strictly try to sell things off through the process. (7.53)

SS

I couldn't agree more, again, having been through that experience. So, lots happened in the time since you wrote that book. Obviously, you alluded to it yourself, right? Your company continues to make announcements around integrating AI into your platform. What's your perspective on the state of MarTech today? Scott Galloway just wrote a recent piece. He's seeing a lot of similarity between 1999 and today with respect to the bubble and he's speculating about the technology bubble about to burst. But given all of the advancements, we're seeing all of these technologies come into the market spaces, is that your perspective or how do you see this playing out over the next few years?

MS

Yeah, I definitely agree with Scott and I've been saying the exact same thing, right? If we watch how the...specifically more of the IT infrastructure and the IT boom happened, we see almost step per step, the exact same thing. We started with tools and technologies then we ended up with having to

connect all those tools and technologies, then we ended up with middle layers, and this was the number one budget for the organizations at those times, you know, this was all about efficiency optimization. Ours is a little different in its goals and outcomes. It's more or less about demand generation, revenue creation, growth for the business. So, it's a different goal. So, I think it's got a little bit different lasting power, right? You only get so much return when you're investing in efficiencies compared to when you're investing in revenue generation models and technologies that increase revenue, not just save you money. So, I think that's one of the big differences and we see in those two things. But I totally agree, right? We've got a massive glut because there's lots of money to be spent. There's lots of...that's where all the investors are going to be investing their money, right, to decide with the department that actually has money to spend, that's where all the startup people are going to focus because those people have the money. And so, we see a lot of technology coming out. Now, with that, you're going to have a lot that are going to fail over time. We haven't...I mean, Scott Brinker did a great article about he expected to see more of a failure rate in a lot of these companies and we haven't really seen what he's expected or what we would expect to be a normal failure rate, meaning companies that start to fail or start and then fail quickly. And I think one of the things that you find is you just have so many marketers just trying and pulling in all levers, right? They've got a lot of money and a lot of these things you can start on very low ends. And there's definitely enterprise versions of everything and now there's also almost free and SMB versions of everything. So, you can try it and try out any ideas crazy or simple as it may be. And I'm one of those people, right? I've got \$100 budget that I'll put aside and I'll test anything for \$100. If it's a tool that's \$100 a month, I'll try it for a while. And there's a lot of cool things I've tried and then I've stopped using three months later. And a lot of those technologies have venture capital backing. But the point is, is a lot of them are on strategies that may or may not work for a long period of time. They may be so niche that it's a tool that only works for a certain amount of people. It may need to have a specific ecosystem to support it. And so, what I really think what's going to happen is the companies that are investing in a technology platform that are looking at, "All right, we're going to invest in a core platform that's going to be number one, that's going to be operational. We're then

going to invest and then make that operational. And we're going to expand that out into how do we then utilize that? How do we push that forward?" I think those companies, the companies that are investing in technologies inside their marketing stack and inside their business that are focused on that type of a method and methodology will be successful and those tools that work inside those ecosystems to solve serious problems are going to sustain. I think if a tool doesn't solve a serious enough problem currently, they're probably finding customers trying these things out and they probably also have a very high churn rate. People probably not finding the value they need to keep that budget because, as we know, there's plenty of other technologies pitching for that money, making cases for that money and then the marketplace is constantly changing at a rate that is so rapid. If the change happened to Google SEO search ratings, we need to reinvest and reevaluate the tools that we use. If there's a change to any type of a data policy, right, like the California data policy that's about to be enacted, you know, now that mandates that we have special tools and policies in place, which is going to suck up budget, and where is that going to come from? We're probably going to have to drop tools or ask for more budget. It's going to be easier to drop tools that really aren't providing the value that we need. And so, I think it's a tough question, but I agree with Scott on a lot of that. (12.33)

SS

Well, I mean, I just look at the content marketing space is probably an example of that where you have this array of technologies out there supporting the content production process, some supporting the actual content experience. You can see, obviously, the need in that space alone for consolidation. And then you have the experience management platforms, companies like Sitecore and Adobe that are approaching this from more of an integration perspective and surely that is going to work itself out through consolidation over the next number of years as some of these other technologies will, I imagine, as well.

MS

Yeah. And there's one other thing that we didn't talk about, right, which is, and you mentioned that we continue to acquire companies and when you have larger companies that are continuing to acquire and invest in new technologies, a lot of these smaller players may just get squeezed out because, hey, if you've got a tool that can already do a part of that thing, it becomes very difficult to make a case to buy a new

tool that does that plus something else. So, it's just, you know, there's a lot of nuance that's going to happen, but I agree with it turning towards the bubble.

SS

So, I want to move on to your forthcoming book which I'm quite looking forward to. It's titled "The Context Marketing Revolution." And my understanding is that in that book, you're making the case that in this world of, you call it "infinite media," and I might add the descriptor "infinite content." The only way for brands to break through is "context," which I'm interpreting to mean helping someone in the moment. I completely get that idea. What led you to that idea? What's the pretext behind the book?

MS

Massive amounts of research. So, first, the book's being published by Harvard Business and kind of the theoretical foundation of this book goes down to media theory. So this is why Harvard was willing to publish this book and excited to publish it. We all understand that there's a lot more noise, right? And we can throw air quotes on this word, "noise." And if we look at noise through this one singular lens, that all noise is noise and it acts and people react to it in the same way, we continue to think that the same marketing ideas that have always existed still play, right? There's just more noise. We just need to do more of these things. What I was able to prove out through research is that we actually entered a new media era. And if you're not familiar with Marshall McLuhan or Harold Innis, you know, Postman, any of these media theorists, then the idea of media theory is that all consumer behavior is driven based off the media environment that they live in. Right? The very notion of the ideas that we have, even as simple as like our notion of what is romantic love, what we believe to be attractive. These are things that are not native to the human brain. These are things that are learned and experienced through your interactions with media. So, when I say infinite media, it's not just TV shows and Twitter, it's all things that are media and mediums, right? And so, to your point of infinite content, that definitely falls within that definition of infinite media. So, that was the first thing is to say that we've entered into this new era and as they will actually mathematically prove this out, the actual date we entered this new era. And then, if you break these things down and say, "Okay, if marketing is a game that we play, given a certain set of parameters, hence the environment, the environment dictates the games that we can play, right?"

The old idea and the idea that we've had of marketing was created during a different point in time when there was a different set of foundations. And now we've entered a new time when there's a complete reset of foundations that's a radically different era on all scales. And so, what that means, simply, is our old idea of marketing, which was based off of stealing somebody's attention and getting them to do what we want them to do was only a game that we could play in a specific media environment. And we're no longer there. So, all those ideas, such as "sex sells," "right message, right person, right time," "no such thing as bad press," and all these truisms, they're no longer true. And so, the whole point of the book is that we have to give up those ideas and we have to reset our foundations. And the question then becomes, well, what do we reset our foundations upon? And I say it's very simple, it's this idea of context. And you could really break this entire book in just three words, "with, not, on." We need to think about how we grow our businesses with our marketplace, not just how we force our messages and our products onto marketplaces. And when we look at what high performers are doing, this is exactly what they're doing. This entails new business model, this entails new definition of marketing, new executive leadership, new tools and technologies, new ways of thinking, new tactics. It's an entire reworking of this word that we call marketing. And that's really kind of where this idea comes from, but it's deep research into both media environments as well as 11,000 brand interviews across 4 years as to what are high performing marketing organizations doing? (17.15)

SS

Context in the moment, meaning that you have a clear idea of the intent of a customer and you're able to provide that customer with the assistance they need at that moment in time, is that the ethos behind this?

MS

Yeah, totally. It's helping somebody. If we were to put these two things in comparison with each other, the idea of attention-seeking messages, right, which is a brand can push out a message that's so creative, it actually gets a person to take action and do what we want. And that's essentially the old idea that we have. The new idea is the only way that you're, one, going to be able to get anything in front of somebody, it has to be filtered through AI. AI is going to let contextual media through. If you look at any newsfeed or any social media feed, look at the timestamps. These are not

chronological feeds. These are contextual feeds. A Google search result page is a contextual feed. It's using all of your personal data, it's using exactly what it knows other people have found interesting and important in state and relevance, I mean, and that's what makes the contextual result page so powerful. And that's why we engage, right? So, it's this idea of helping somebody achieve their goal in any moment. And if you start them thinking about that as the definition and expand this and look at some ideas and say, "Okay, well why is somebody on social media?" Somebody's not on social media to read your white papers. And there's a great example, there's a B2B brand on Facebook and they have two different things that they post. One is they post a comic every week. And then the second is they also post the new blog posts that they publish on their blog to Facebook. The social media posts that have the comic get a 60 times increase in engagement. Right? And the answers to why, because someone is not on Facebook to know how to be better about their business. They're there to escape, right? And so, that comic helps them accomplish that goal at that moment, which is escapism. And that's why that performed so much better than the blog posts, even though it's the same medium and the same brand and the same audience.

SS

It's interesting because I just finished a book called "The Merchants of Truth," which deals with the whole BuzzFeed, "Washington Post," "New York Times," and Vice phenomenon. And it talks specifically about that issue of the metrics driving the content selection today, even for organizations that are more traditional, such as "The New York Times," now relying on those exact content metrics. But it creates this tension between escapist content, I think, as you're describing it and more thoughtful content in the editorial judgment. How do you reconcile those forces, the need for people for that escapist content trumping more profound and serious content that the editors believe that person would benefit from reading? Doesn't everything get swamped eventually by clickbait and escapist content? Isn't that the dilemma facing the whole content marketing space these days?

MS

So, escapism is only one of the many factors of why somebody would be at certain places at a certain time. There's lots of others, right? And so, the "Washington Post" also had some research which shows that we share things that

validate the images that we have of ourselves. Right? So a lot of the times we will never even read an article, but we'll share it. In fact, 60% of the time articles are shared without ever being read. And they're shared because the headline suggests something about the individual that they want other people to associate with them. Right? And so this is where, you know, you get into a lot of the trouble of, how does fake news spread so quickly? Well, it's because it's a headline that is specifically written to project something about the individual that they want others to know about them or validate a stance that they have. And so, they simply share that without knowledge, right, without reading it, without sight checking, without anything. It's just they share the headline. I think that's, you know, one aspect of this, which is not escapism. It's them projecting the image that they want people to know about themselves. But there's lots of different reasons why we do these things and there's lots of different issues with content of where we get it, how we get it, why we get it. But will clickbait take over these things? And that's an answer that I honestly can't answer, right? As soon as the algorithms are retrained or retooled to then deal with that and that no longer is an issue, right? So, we're all in a very nascent stage of how social media is going to work. We've only been in a world where social media is powerful for a very short amount of time, right? So, we're still trying to figure these things out, we're still trying to answer these questions and they will get answered. The hard part is that the major mediums that we're looking at, right, we're talking about Google, we're talking about Facebook, we're talking about Twitter in this example, they make their money based on engagement and keeping people on these platforms longer, right? They're ad buys, that's all they are is modern media just selling ads. And so, as long as people are engaging and staying engaged, they don't care what people share. They just care that people stay on there longer because they can sell more ads. (22.03)

SS

Yeah. So, let's stick with this topic of content because I call it, we're in this era of peak content. So, does marketing need to hit a reset button here and step back and do a better job of defining what that content experience is or is the content experience going to be defined as you're kind of describing it by the end-user of the product and determining what kind of content experience they want versus one that's created for them?

MS

It's both. And so, to the first question of, do they need to take a step back and reevaluate the answers, a 1000% yes. Right? And so, when we talk about what is context, context, as I defined in the book, is the factor is five things that combine to make context, right? It's a diagram. It's not a single thing. It's a factor of many things. And one of the biggest factors and plays to making something contextual is, can it reach a human to human level, right? So when we do the mathematics, if you say, "Okay, brand has a million followers, what kind of a reach does that give them?" Well, 135 people have the exact same social power as a brand with a million followers, right? So, we have this ability for individuals to share content. When brands simply look at content and say, "I am a brand, I should make content, I should distribute this content," that's really not taking the example that consumers and actually what works in the modern reality, right? It's simply just saying, let's do what we know worked in the past era. And the past era was magazines, TVs, branded promotion, right? It was a centralized idea of creation of content and distribution. We need to look at this idea of how do we actually engage people, right? With social media, the highest value in social media and modern media is not free distribution. It's direct and personal engagement. And when brands can shift their idea of, "I'm supposed to be creating this white paper and forcing it on to everybody," to then remember those three words, "with, not, on," that is on. That is, "How do I create a message and force it on people to get them to read and do what I want?" That's not what we're talking about. We're saying with. "How do I engage my audience, my employees, my stakeholders at large, how do I work with them to fulfill both of our goals at the same time?" Right? That is the modern definition of what we need to be creating. And through that, we will then create those ideas of content. But to do anything to make better content, the answer is no. We need to figure out how do we work with our audiences and then that leads us down the right path.

SS

Let's talk then, more broadly, about the marketing function itself. And it is still the vestiges of the old planning model largely rule today. Certainly, most of the organizations that I observe follow old formulas that they were mostly taught in school. Marketing is in this process of reinventing itself. You talk about this all the time, obviously. But is the issue here, what's standing in the way is: A, the business model

and/or organizational model of most businesses don't allow for the kind of interaction or engagement with customers that you just finished describing? That is, marketing still set up with a prime mandate to drive growth and sales, not a prime mandate to make customers the happiest people on earth. And the other issue is the way organizations are factionalized with different groups operating by different measures, often nothing to do with the customer. Is what you're describing an impossible leap without first figuring out what that new organizational model should look like? (25.34)

MS

That's not the first step. Yeah, you're correct in a lot of that, but that's not the first step. So, when we break down the data, the number one key difference between a high performing marketing organization, which is only 16% of all organizations globally, and everyone else is executive buy-in to a new idea of marketing. That is the number one key trait of a high performing marketing organization. Under that definition is a new idea of marketing where the old idea was the department to create messages to drive people to the product where the new definition of marketing is the sustainer and owner of all experiences, right? So that's the difference that we find. And when that change happens, then everything flows from that change, right? Because then the executives say, "Aha. I'm no longer just hiring somebody to do X, Y, and Z." Because if the executives haven't changed their idea, they're still going to hire and mandate and expect the old idea to be executed upon. And it doesn't matter if the new marketer that they hire says, "Hey, that's not what we need to be doing," right? That's what the executives think that needs to happen and that's what's going to happen. And so, number one key trait is buy-in to a new idea of marketing and then everything flows from there.

SS

Getting that top-down permission is the challenge, isn't it? Because the markets reward growth, not virtue. How does a senior executive come to the epiphany, if you will, that thinking about customers first is going to actually be the path to profits? And, you know, it's interesting because your boss, Marc Benioff, recently wrote in "The New York Times" that businesses have to value purpose as much as profit. He goes so far as to say that capitalism as we know it is dead. You argue that the highest form of purpose is co-action. What did you mean by that?

MS

When we talk about purpose, we talk about stakeholder theory, right? The purpose found in stakeholder theory where it's not just your job or the company is like, Toms, like, someone buys a pair of shoes, you give away a pair of shoes, but that's not necessarily what purpose is about. Purpose is about making sure it's grounded in stakeholder theory where customers, communities, partners, the entire ball of wax surrounding your organization and where it lives and where it exists and the community it exists within, that is the goal, right? Some people use the term, "triple net profit," some people use the term profit, excuse me, "purpose" and there's lots of different ways to slice it. But the simple answer is that the brands have to have a goal other than strict financial profits. And this is not a new concept, right? This has been written about for decades, right? E. F. Schumacher's "Small is Beautiful" is probably the seminal book on economics that proves this theory out. Then you have "The Experience Economy," which came out in 1999 by Joseph Pine and James Gilmore, which talks about, you know, experiences as the highest form of economic value a firm can create. And then we keep moving forward in time. And it's this idea that it's not about strict financial profit, it's about how do we create a better society and a better world. And those brands have a lot of power over brands that don't, right? They're able to think about things differently, they're more durable, they're more sustainable, they have greater retention of employees, I mean, there's just so many positive impacts. And then it breaks down to when I did the research with the Economist Group, we found that brands that are purpose-driven are two-and-a-half times more profitable than those that are not. And so, it's all of the above. (28.50)

SS

So, your boss, Benioff, also made this other statement, which I want to ask you about. So, he made this provocative statement that Facebook is the new cigarettes, I think he calls it. And meanwhile, of course, you're hearing Zuckerberg talk about his organization starting to shift to more privacy-focused messaging as a social networking platform. So, you talked quite a bit about the use of social media helping to shape the conversation earlier. How do you see this tension playing out over the next few years? So, this tension between what Facebook represents today, which as I said, I think you said that it's largely a media to support advertising versus what it should or could be. Where do you see that going over the next number of years?

MS

Yeah, well, I mean, first of all, the comment about, you know, "It's the new cigarettes," and you know, I've said the exact same thing for many years, right? I've always said that, you know, social media is the modern-day smoke break. And what both of us mean by that, myself and Marc, means that consumers are now turning to that rather than cigarettes to take a 15 or 10-minute break out of their day. Right? You're not getting up from your deck and walking outside to take that break, rather, you are shutting down your work, you're pulling up Facebook for maybe 5 minutes or 10 minutes and you're using that to then supplement that break that you used to use the cigarettes for. Right? It's simply a way for you to take a break from the rest of your day, go back to that point of escapism, right? That the exact same thing. You would go out, not because you needed a cigarette, well, unless you became addictive after a period of time. Right? But it was more or less for you to take a break. That was one of the number one reasons people smoked, right? It was a social activity to get them away from the task at hand. You know, so you just kind of think about that. That's what we mean by that definition. So, it's not that social media is completely damaging like we're saying cigarettes are in health capacity from lungs. We do know overuse of social media is damaging, but that doesn't mean that social media is damaging, period, right? It's depending on how you use it, like, all day. And so, I mean, starting from that point, it's kind of what we mean by that. And then, how do we see these things moving forward? I mean, the answer is I don't know. I think social media, like I said, the greatest benefit...and I think Zuckerberg is definitely doubling down on this, right? Because they bought WhatsApp. WhatsApp is the number one most downloaded application in 2019. Right? It is a direct messaging communication platform. And where they will move to, we must think about a post-ad world, right? That is 1000% where we're moving to. So one of the things that we didn't talk about is the AdTech boom and will AdTech exist?

SS

I do want to talk about that, actually, because there's a great story in "The New York Times" about exactly that today. (31.27)

MS

Yes. I mean, all these things are coalescing and colliding at the exact same point in time, right? So consumers don't want ads, big platforms make all of their money from ads and they're still forcing ads and you have all this technology

making ads better targeted, better delivered, and now you're starting to see the kinks in this armor, right? So, we've got, you know, the California law coming out, you got GDPR coming out, and you've gone to this data privacy, which really puts a kink in this ad platform system. So, where are they going to have to go? Well, they're going to have to find a new way. And if you start looking at China, right, look at, you know, WeChat over in China and how it functions. It is an entire economy inside of a social application where all things are able to be bought, sold, and then there's different ways that the brand can monetize. Let's say the brand, seeing the media problems, they can monetize in different ways. So, it's not just an ad-serving platform. It becomes much more intrinsic. And I really do think that's where they're going to have to go, is they're going to have to find a way of, "How do we then create better communities? How do we monetize those communities? How do we let people interact and how do we support that?" Rather than just, "How are we a newsfeed selling ads?" So, that's, I think, where they have to go, and he's correct.

SS

So, if you look out at the big players now, Apple, Google, obviously Amazon, Facebook, who do you see being closest to achieving that, sort of, state of Nirvana where they become a fully enveloped ecosystem?

MS

None of those are close to it. There's so many different pieces and players and ideas and access that you're talking about, right? One, so Google is mostly a search engine. They don't really have a social network. They tried one, Google+, that failed. Facebook is a social network, doesn't necessarily have a search engine in terms of a Google, right? You definitely can search, there's lots of things. You've got different forms and flavors, you've got communities, so there's all different types of things and they're all really disparate. You know, so a lot of the bigger questions that we haven't answered that we can't answer will probably be answered by regulation. And I fully believe we are only one Facebook debacle away from massive federal privacy regulations. California is starting it. New Hampshire's got a law on the books that's coming out. And there's a couple of things that are going to have to be answered. One is data privacy. The things that we've just talked about are, does the consumer own the data? Do they know what data exists? Can they control it? That's what, number one, these laws are talking about. Number two is

data portability. Can I own that data and can I port it from one place to another? Right? All of these channels we've talked about are walled gardens. You can't reach, I mean you, you don't go from Twitter to Facebook and share. You have to go inside of there. You know, if you want to do ad targeting, you have to use the data inside of that walled garden and inside of that. So that's another question, is in the future, will these channels then be...will they coordinate and combine into different things? Will they no longer be walled gardens and will that be regulated? And I think probably it will be regulated. Data's already being regulated, you know, so there's a lot of questions we can't answer just because we don't know the regulatory environment.

SS

Right. You did reference this idea of an ad-free world. If that's the case, free and now goes away, maybe replaced, we like to say by that term "help me now," which is exactly your context marketing question. The question is, though, the whole funding formula for this suddenly has to change. Are we moving to then an era of paywalls and subscription services as a means of getting around that? What's the answer to that big question? (34.53)

MS

I mean, I don't know the answer to that question. And I didn't say ads will never exist in the future. I said a post-advertising world where we look at the use of ads in a fundamentally different way, right? And ads are not a bad thing in themselves. They're bad when they're used in the wrong way, right? So an ad is simply just a way to buy an impression in front of somebody. How you use that moment determines if it's a positive or negative experience. It's not the ad in itself that makes it a negative experience, right? It's not the platform, it's how it's utilized. And traditionally, how we utilize them is interruptive, right? So we say, "We want to buy access to you and I'm going force you to look at whatever I want you to look at it right now in this moment," right? That does not mean in the future we could not use those in a very different way. We can use them in a very different way now. Just people don't do it, you know? So that's kind of the point of that one.

SS

Yeah. Well, it'll be interesting to see how it plays out. Firefox just sent a new release out on its browser and it obviously has a tracking feature now that shows you who's exactly tracking your browsing behavior online and you look through the list

of blocked trackers and it runs on and on. It's just shocking actually when you look at that for the first time to realize, "Holy smokes. Anything I do on Facebook is a primary culprit here. Anything I do is being captured someplace." So, back to your point earlier about the privacy acts becoming more stringent, presumably, will hopefully mitigate against the sort of fear factor now that's got to be at play with a lot of consumers. There's this trade-off between what you're prepared to give up in terms of privacy, obviously, and the value that you get back from that experience.

MS

And the sad part is that consumers...there's a great piece of research that comes from Bain, right? I believe 80% of businesses believe they create a great experience for their customers. When Bain actually asks the customers of those businesses, right? This is not generic. This is just not like, you know, how well do they think they're doing and generically how well the consumers think businesses are doing, right, that's generic, that's crap. When you actually say, "If a business believes they're doing great, and then actually ask those customers, 80% of those businesses that believe they're creating a great experience, only 8% of their actual customers believe they're creating a great experience."

SS

Sure.

MS

And to your point, it's like consumers are very happy to give up their data. They're very happy as long as they receive something in value in exchange, and that value is not monetary, all they are asking for is a better experience, right? Help them in some way, shape, or form, and make a better experience for them.

SS

Which goes back to the points you were making earlier about marketing, really, being in charge of that unified experience and ensuring you're delivering that value every step of the way becomes a new mandate for marketing, if you will. I want to just push this in the time we have remaining into a bit of the future of communications. And I think you allude to this, again, in some of your talks. Certainly, the rapid rise and acceleration of AI-powered voice, I think, it's taking people by surprise. We are on the verge of this new world of conversational interfaces, which changes the game rather significantly. You've speculated on where this could go. Share with me your thoughts on the future of voice and its impact on communications and the role of marketing in a

world where all of a sudden now there is this big intermediary between their ability to interact directly with customers and this voice box. What are your thoughts on that? (38.34)

MS

I have lots of thoughts. So, I mean, I don't think voice is going to change things as much as people expect, right? It's not yet voice as a search yet. People will use voice for search. But I think we have to put that in context, right? It's what's the quickest, fastest, easiest way to get the answer that I want? And voice may be the easiest to ask it, but it's not always the easiest to receive it. Right? Simple example, I can't ask Alexa, "What's the best pair of red shoes?" And Alexa cannot show me what are the 10 pair of red shoes that I should be looking at. I have to inhabit in some type of visual format. Right? So, we need to make sure we keep these things in context of how they'll be utilized. That's really how all this boils down to. It's a radical change, not just in like okay, we've got people asking things to these devices. It's really...we need to be thinking about conversational interfaces and how that radically changes the entire experience of what they want, how we deliver it, what devices we deliver it on, how we make those connections, even how we even think about building things.

SS

Is there a role for marketing here and helping businesses immunize themselves from this disruption?

MS

No. There's no way to immunize yourself from the fourth industrial revolution. It's not something you get a choice if you wanna join it or not. You join it or die. That's pretty much the choice you're being given. So we must keep in mind, right, like, not all brands make it. How many brands that you see on the Fortune 500 are no longer there today? It's a staggering amount, right? And so we need to be very clear on the brands that are being able to manage and move into this fourth industrial revolution and manage this digital infrastructure, the digital change. Those are the ones that are going to succeed, and anyone else that's not going to do that will not be in the same place they are in today. They'll be in a diminished role if they role at all. And will marketing save you from that? No, but will marketing be a massive part of what you transition into? The answer is resoundingly so, right? When I talk about a new idea of marketing, it's not new tactics, right? It's not, "How do I take these old things and do them an additional way?" It's not, "How do I take that

message and then put that on a voice device?” Right? this is a complete reworking of the definition of marketing, and that requires a new business model. The old business model was brands who build something, they then you use marketing to tell the world about it, they then sell it, right? The brands that are winning now have a radically different business model, where the old was build, market, sell, the new are market, sell, build, market, right? Where marketing is a completely different definition, has a completely different role. It’s not a solid organization. They are the owner and sustainer of all experiences across the customer life cycle, right? And so that is a part of that transformation. So will it save them? No, it is becoming part of what they become, resoundingly so.

SS

Matt, this has been tremendous. I really am looking forward to your new book coming out in May, I think. Is that correct?

MS

Yeah, it’s published in March and then shelved in March.

SS

In March. So I’ve already got it on pre-order. So very much looking forward to that and certainly hope hearing you speak again at conferences. You’re obviously quite a...you’re a gifted speaker and quite knowledgeable about where we’re going as a discipline, so I really appreciate the time today, Matt. It’s been terrific.

MS

No problem. Thanks for inviting me on.

SS

All right. Thank you. Talk to you soon.

That concludes our interview with Mathew Sweezey.

As we learned, the only way for marketers to break through the suffocating volume of media noise is to actually stop thinking they can. Instead marketing has to pivot from brand communications to creating experiences for customers that help them in the context of the moment. The old “make and sell model” is truly dead. The only way forward for marketers is to own the customer experience.



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