

Customer first thinking.



Brand Community

An Interview with Mark Schaefer, Executive Director, Schaefer Marketing Solutions

Mark Schaefer:

Mark Schaefer is a globally recognized author, speaker, futurist, and marketing consultant whose latest book is "Belonging to the Brand".



“Markets are conversations”.

That was the opening line in the classic marketing book “The Cluetrain Manifesto” published in the year 2000. The authors urged marketers to give up mass messaging and speak with a human voice. Their clarion call for radical change resonated with a lot of techno-utopian marketers at the time – the book went on to become a huge bestseller – but it was only several years later that the idea of conversational marketing became feasible with the emergence of the social web.

In the early 2000s social networks began springing up everywhere – first MySpace in 2003, followed in rapid succession by Facebook, LinkedIn, Youtube and Twitter, and then a few years later by Pinterest and Instagram. By 2010 marketers recognized the importance of participating on these platforms as they watched their active user bases stretch across the globe. People were flocking to social media in droves, led by millennials keen to connect with their friends, to share personal news (and selfies), to voice their thoughts, and of course marketers are instantly drawn

to places where people like to hang out. But instead of engaging in actual conversations, marketers viewed the platforms as just another communication channel – a new, more targeted way to reach an audience, at a fraction of the cost of traditional media.

Talk about unforeseen consequences. The platforms thrived on the sudden surge in ad dollars. And to keep the money rolling in, they skewed their algorithm to drive engagement, as we learned later, by giving undue weight to “us versus them” posts. Indignation and outrage is good for business, apparently. We all know what happened next. The platforms became an echo chamber, giving license to incite hate speech, peddle conspiracy theories, and spread misinformation. Prolonged use began to affect the mental health of teens. To the point where most people now believe that social media does more harm than good.

What we seem to forget, however, is that the mainstream social networks, funded almost entirely by ad dollars, are not all there is to social media. Just as all marketing is now digital marketing, all digital marketing is bound to become social marketing. And that means inviting people to join the brand of their own free will, forming communities of devout fans and followers. Instead of pulling people through the sales funnel by posting thinly disguised promotional messages, the marketing goal is to keep customers excited and involved – to offer them immediate service and support – to put them in touch with each other – to invite continuous feedback – above all, to get them to participate, in events, in content creation, even in product development.

However, for most companies today, a brand community is merely a way to deflect customer support calls by funneling people through to discussion forums where they can get their questions answered

by other users. But where a community actually pays off eventually is in building long-term customer relationships. The challenge is convincing myopic CFOs that all of the effort and investment will pay off. Because building an enthusiastic and participatory brand community is not easy. It can take years to reach critical mass. But, as Mark Schaefer points out in his new book “Belonging to the Brand”, marketers have no choice. He believes that building community is the “last great marketing strategy”. Maybe even marketing’s last gasp.

People “long to belong” Schaefer says and that presents an opportunity for brands to connect with them on a more meaningful level. The author of nine other books, including the best-selling “Marketing Rebellion”, the Tennessee-resident is well liked for his humanistic views and folksy charm, making him both a popular speaker and a beloved blogger.

I started by asking Mark how he first embarked on his marketing career.

MS

Mark Schaefer (MS): Well, I actually started in college as a chemistry major. Because I loved science and I always heard that...I mean, I love to write but I always heard you could never make money in journalism. And believe me, I was so poor as a kid, I just wanted some money. I didn't like the people in chemistry because they were all under this pressure to be a doctor and they were just so stressed out. So, for fun, I took, like, an intro to journalism class. And number one, I learned that there are a lot of things you can do with writing just, you know, in addition to journalism. And number two, I loved the people in journalism school. They wanted to change the world, they wanted to seek truth. I thought, “These are my peeps. This is where I belong.”

Then, in my junior year, I took a marketing class. And I thought, “Whoa, whoa, whoa, whoa, whoa. This is what I really wanna do,” but it was too late to change my major. So, I minored in marketing and sort of had my eye on ending up in marketing. So, I started out in corporate communications and then I got into sales. Because I was working for a Fortune 100 company, to get into marketing, the path, I had to go through sales. And, actually, I agree with that. I think it made a lot of sense. And while I was in sales, I got my MBA with an emphasis on marketing and I got to study under Peter Drucker. So, that was sort of a mind-changing event, a life-changing event.

I had good instincts about marketing and business but going through that degree program really validated it, I think, and gave me more confidence. And then, finally, I got into a marketing job and I was given the opportunity to really go into every kind of area. I was in product development. I was in charge of CRM. I was the first digital e-business director for this company. We pioneered our first applications in social media. And the company was wonderful. From the time I was a young man to the time I left, I was almost always the youngest person in the room. They just pushed me, pushed me, pushed me to realize my full potential. So, I had a great career and then got into a situation where they wanted me to move to Europe. So, I kind of went back and forth for a little bit and I had a personal situation in my life where I thought I really can't do this, I need to stay home, I need to try something else. I was at a point in my life where I could start my own business. I started consulting, started teaching, started writing. And it just has been kind of a rocket ship.

Today, I do consulting. I teach at Rutgers University a little bit, it's not like a full-time thing. And I'm a keynote speaker, I just signed a contract to go to my 74th country, I'm gonna be in Romania in May, giving a speech. And so, that's been very exciting. And, of course, you know, I'm an author. And I just published my 10th book. And it's my best book, so, something I'm very proud of and something I enjoy a lot.

SS

Stephen Shaw (SS): So, that early training in journalism paid off in the end with that career switch. That was a great career switch to make too because you had spent, what, two decades at Alcoa, I think, in total?

MS

It was hard. And, you know, I often talk about that experience. I mean, I wrote this book called “KNOWN,” it's a beloved book about personal branding. And I really believe that, you know, personal branding is almost everything today. It's like either you're known or you're not. And if you're known, you're gonna have a lot of advantages in this world. And, in my classes, I teach an online personal-branding master class and I talk about, when I left Alcoa, this Fortune 100 company, it's like the veil of silence came down. You know, here I was one day, I'm this global director, and I'm getting messages from all over the world and I'm in the middle of the hurricane. And then the next day I'm

gone and it's silent, and in one day I became the global go-to guy for the internet to the go-to guy for absolutely nothing. Everything I did in that career didn't matter. Nobody knew it and nobody cared. The only thing that matters is how do I show up right now in the digital world. Either you're known or you're not, and that's what creates the opportunity. That's the only sustainable competitive advantage we have as individuals. It's the only thing we can carry with us throughout our lives. So, it was dramatic, it was traumatic, but it was the best decision I ever made. (210.29)

SS

Sure. And let me ask how long was it when you made that switch before you had your first paying assignment?

MS

Uh, twenty-four hours. Well, I mean, I don't wanna be flippant about the question. So, before I made the switch, I had been doing a little bit of consulting on the side, you know, kind of to feel it out. And I decided, "Yep..." You know, here's how it started. I was in a plane; I was talking to this guy. Long story short, he had this massive important global jewelry business. He wanted to sell it and he couldn't sell it because he didn't have a marketing strategy. And I'm sitting there listening, listening, listening. And finally, I said, "I can do this. I can help you." And I'll never forget that, because it was really my first consulting job, and he paid me in jewelry.

SS

Really?

MS

Yeah, he paid me in diamonds. So, I could do it. And I completely changed his life and I changed his business and the business got sold and he's a millionaire, multi-millionaire. So, I thought, you know, I had a lot of confidence, you know, "Because I'm good at it, I'm good at marketing." And basically, my last job at Alcoa was kind of an internal consultant anyway. So, I was doing things on the side. And look, I mean, you know, when you're an entrepreneur, you say yes to everything. You know, I think my first customer was a catering business and then, like, a real-estate company. And then what happened is I started a blog, because here I am, immersed in the digital world, and I just started to do it on a whim. And...

SS

What year was that?

MS

2009. I started my business in 2008 and the blog in 2009. And then I started to realize that every business benefit, I was realizing, was coming from that blog. "I better get serious

about this and more intentional about it and more consistent about it." And what happened is, you know, coming from this traditional marketing background of, you know, "I have my message and I've got to find my target audience," something completely unexpected happened. Instead of me finding my target audience, my audience found me. And, you know, I live in Knoxville, Tennessee, I thought I could have a very happy living just working for businesses in East Tennessee, and I found I had a global audience. And a global audience who loved my blog, and the blog led to books and the books led to speaking. Speaking led to bigger and bigger consulting gigs. And, you know, I've worked for Dell and Microsoft and Pfizer and Merck and Chipotle and Allstate and Adidas and all these amazing brands but, you know, my first customer was a caterer.

SS

So, it's interesting because had you started that blog, I don't know, five years later, would you have the same sharp ramp up as you did, the same claim to fame that you did? Were you just an early adopter and that was just serendipitous?

MS

Well, I wasn't an early adopter. I mean, it seems early but, when I started, there was a marketing leader I looked up to who said to me, "You're too late and you're too old." I mean, I was like 49, 50 when I started blogging. I gave my first paid speech, I think, when I was 52. He said, "You're too late and you're too old." So, in that context, you know, I was not really a pioneer. But here's what was different. I didn't really have an agenda. I mean, I told the truth and I was able to use my experience and my age as a benefit, because all the bloggers back then were kids, and I could connect the dots. And, I mean, they were blogging about things I thought, "Oh my gosh, this is horrible. They have no idea how business works." And I started saying, "This is how it really works," and the response was, "thank goodness someone's finally saying this."

Now, I would say, you know, if I started five years later, it might have taken a little longer to get traction because, you know, it was a little more crowded then but I do believe that there's a place for everybody, that everybody can find their audience. There's only one you with your voice and your experience and, you know, you can find a meaningful audience. (15.28)

SS

It's interesting when you say, at the time, the bloggers were pretty much just kids. I would argue it's probably still the

same today. Look at the bloggers on Medium and you get a sense of that for sure. And your point about not knowing much about how business works is a very valid one still today. It's one that Mark Ritson complains about all the time, how marketing departments have been emptied out of the strategists and they're largely just performance marketers today. And we're gonna get into that subject a little later on because, obviously, it ties into your new book, to a large extent, about changing the trajectory of marketing. I just wanna stick with one other subject related to your background...and I kinda look at you as the, I'm gonna say the Malcolm Gladwell of marketing...

MS

Oh man, I love that. I love that, I love that. And it's true because, you know what, I write my books like Malcolm Gladwell.

SS

You do. And the reason I thought about this is I'm reading "The Bomber Mafia" and I'm reading this thinking, "Wow, this reads just like..."

MS

"Sounds like Mark Schaefer." Here's the beauty of Malcolm Gladwell. He does no original research. And what he does, and I do the same thing, is you find, when you do the research for the book, you find these things that make you go, "Wow." And here's what Gladwell does, "Sally woke up one morning and couldn't find her coffee. She..." and there's this long story and you're involved in it. And then he goes, "Of course she couldn't find her coffee because, in 2011, Stanford University found," blah-blah-blah-blah-blah. That's how I write my books.

SS

He is, and also...

MS

Thank you for noticing. Thank you, thank you for noticing. You're my new best friend.

SS

You're a master storyteller. I've heard you speak in public; you're gifted. I know you practice hard at that too, so, there's some lessons learned about that. But also I think the other connection point to me is that you have a real interest in social psychology and, obviously, behavioral science. I think you took a degree in that. So, would you attribute your success to this gift of yours to be able to, how should I put this, unravel the complexity of the situation and play it back in a way that people get?

MS

One hundred percent. You know, I'm a teacher. And I remember when my daughter was a little girl and I was

helping her with her homework and she said, you know, "Daddy, I'm so confused at school but, when you explain it to me, I understand it. You should be a teacher." And whether it's in my books or my speeches or, you know, my classes, I can unravel complicated things and distill it to its assets. That is what I'm good at. So, you are a very keen observer. I have to say, I'm quite impressed how you've studied my style.

SS

I've been following you for a long time, Mark. I'm a huge admirer of your style. Yeah. So, before we jump into the book, and I'm anxious to talk about quite a few of the core ideas in there, because they really resonate with...like, your philosophy and mine aligns very closely in terms of what marketing needs to do to transform itself. But I wanna go back to the "Marketing Rebellion," there are so many good ideas in that book, they all hold true today, lots of stories. The subtitle is "The Most Human Company Wins," and that is a core that runs through all of your writing. Your point of view is making marketing more of a humanistic discipline. Is it going forward, given where we are today? Marketing's job, not necessarily to be the demand generator for the company but more to be the social conscience of the company, I use those words carefully, the voice of the customer, the advocate for the customer, what should the mandate of marketing going forward be, given the pressures of growth on the CMO today? How does the CMO reconcile those two roles in an organization? (20.03)

MS

The pressure on the CMO today, I believe, and why it's such a perilous career path, is because there's this disconnect between the expectation of the board of directors and customers. And the board of directors expects marketing to be coin operated, you put coins in and you get more coins out. And customers don't give a damn about that. The customers, they don't care about you, they don't care about your 10th anniversary, they don't care about how good and lemon-scented you are. They care about their life and their story and their problems. And I think the mindset of marketing today needs to be, "How do we come alongside customers at their point of need and do it in a way that we become part of their conversation?" "Somehow we can even maybe have a little part of the fabric of their life where we do something so helpful, so human, so generous, so authentic, so unmissable that they can't wait to tell other people about it." That's marketing.

And so, another part of your question was, you know, are businesses going that way? Mostly not, because they can't. You know, I think small-to-medium businesses, yes...and by the way, I mean, there have been a lot of businesses that have taken that "Marketing Rebellion" book and said, "This is the plan." It's been very humbling, that book has had an impact. Even on a Fortune 100 company, the CMO wrote me on LinkedIn and said, "We need you. We need you." And I was thinking, "Ah, right, this isn't gonna work." But, you know, it has worked. It has. People are listening. But I think it's the medium to small-size businesses that are gonna pave the way, the young people today. They're teaching us how we should do marketing. 20 years from now we're gonna look back at this age and say, "Wow, what was this stuff? Spam. What were we thinking? Robocalls... oh my gosh, I'm so embarrassed." Aren't we glad that we're showing up in a human way? Aren't we glad millennials and Gen Z ushered us into a new generation of marketing? "Oh my gosh, those were awful days," I mean, I think it's gonna be that embarrassing. And I think it really is. Within 20 years, we're gonna be humiliated by what marketing stands for by today.

SS

Yeah. Well, I certainly hope so, we'll be looking back at this time much as we look back at the early years of selling patent medicines, I would imagine.

MS

Can I build on one other comment that you made?

SS

Sure.

MS

Because, I mean, it was such a good question and a very profound question. And you said something very important, and I don't wanna miss it, "Should we be the social consciousness of the company?" Maybe. And I think this is sort of overplayed in marketing today. And there's a mantra out there in the field of marketing that I think is very dangerous where everybody needs to take a stand and everybody needs to, you know, take a political position. And one of the exercises I do in my classes is I'll say, "Think of everything you bought in the last two weeks. It could be a sandwich, could be gas for your car, could be a new coat, could be a plant for your office, it could be a notebook. Now, of all those things you bought, how many of those products do you know what stand they have on the environment or politics or anything in society?" And the answer is "almost zero."

Now, all of those products have marketing people behind them, but we don't really know and we really don't care because we buy a sandwich because we're hungry and it tastes good. We buy gasoline because it's convenient, we buy a coat because we're cold, we buy a house plant because it's pretty. So, I mean, the four P's of marketing still work, they're still important. I think purpose is the fifth P, I really do. And especially with young people today, it is more important. But don't overlook the fact that the four P's still work. Most of the time we don't care. Maybe the 6th P is peril. Because if you do purpose and you do it wrong, then you're gonna move into peril. Actually, I gotta write that down, that'd make a great blog post. (25.26)

SS

Well, it's interesting because, on my last podcast...the one prior to the last one, I interviewed Scott Goodson who's a huge proponent of social movements, we're gonna get into that subject just a little later on. Which brings me actually to your book, so, "Belonging to the Brand" is the name. And I will say it creates a very convincing case that creating brand communities will, I'm quoting you here, "replace the intrusive marketing systems," end quote, "of today." But, you know, as I thought about it, I thought, "Oh my goodness, there's a trillion-dollar global ad market out there, 700 billion of it is digital advertising. This is gonna require the creative destruction of a massive industry with entrenched interests. You're bound to get some pretty heavy-duty resistance to this idea of community building being the focus of marketing. Because we, frankly, still live in an attention economy. So, how do you see this rebellion, if I may put it that way, playing out over time?"

MS

Well, not so afraid anymore because the real fear came with "Marketing Rebellion." I thought people would hate that book. Because, I mean, honestly, as I did the research for that book, there was a point I was writing the book right here, in this office, and I thought, "I don't really know what it means to be a marketer anymore. The consumers are in a completely different place." I literally, like, lost my breath and I thought, "People are gonna hate this. Do I have the courage to really tell the truth? Because people are gonna hate this. There's gonna be a backlash on this book." And just the opposite happened. You know, people said, "We know. We know. We see it. We feel it. We know it isn't working like it used to. It's kind of our secret we don't wanna talk about. The agencies know. The agencies are desperate."

I think one of the saddest stories that I think represent the state of the ad industry is...I think it was two years ago at the Cannes Festival, the big marketing advertising festival in France. The big story was that the advertisers were begging Netflix to show ads. This was before Netflix announced they were kinda gonna do their thing. And the reason is because no one sees ads. They don't have any eyeballs. And so, everybody's going to digital. But guess what, when everybody goes to digital, the price goes up because there's only still much digital. So, it's a mess. It's a mess and, you know, there's gotta be another answer. And that's what I provided in "Marketing Rebellion" and that's what I provide in the new book.

So, you know, I think, at this point, if there's a backlash, it's like, "You gotta be kidding me. You know, you're smoking something funny, you're not being honest with yourself." And there is, I think, a lot of delusion out there in marketing. I think marketing is sick in a lot of ways. It's not changing like it needs to, it's not changing fast enough. And all I can do is tell the truth and hope that some people listen.

SS

Well, I think the phrase you use in "Marketing Rebellion" is "existential crisis." And I think what "Belonging to the Brand" does, which you touch on in "Marketing Rebellion," is raise the idea that the only path to business success going forward is going to be this concept of creating nurturing of communities. And the challenge I was raising was simply that there is, you know, such entrenched interests and money in preserving an antiquated system that, you know, pity the poor CMO who wants to fight that tide, as you said earlier, small and medium-sized businesses might make that decision,

MS

It's much harder to do. It's more than money, it's ego, it's status. Because making commercials is sexy. It's relationships because I love going to New York and being wined and dined by the agency. I don't wanna give that up. There's a whole scaffolding of relationships and ego that's holding these sick practices in place. (30.18)

SS

It's self-perpetuating, that's the challenge. But further up in the C-suite, and I know we're sort of deviating a little bit from the book, but really, this is a radical idea. Right? And radicalism is not something that CFOs, CEOs like to embrace, they're on train tracks, right, to hit their growth targets. They're not gonna shake up the organization or its traditional approaches to marketing on the leap of faith

that, "This is where the world's going, therefore we need to be ahead of where it's going." So, there is a whole question in the book about how you actually have to achieve that transformation. I do wanna talk about that. But also, the other thing you bring up in the book, which is disturbing, is what's happening to society. So, we have a society, and you allude to it because this is the issue, we're wired to belong, our identity is derived from our affiliations in life and recognition, you point out that 40% of people today feel lonely. That's a staggering number. And a really truly concerning number is that 22% of millennials, millennials, have no friends at all. Which is mind-boggling. Is social media at the root of all evil here? Or at least the present constitution of social media. Is that the culprit or are there other reasons for this disturbing cultural shift?

MS

It's a very, very complicated issue. And really it's been percolating since the 1960s. There's been a sort of a steady decline in mental wellness from the '60s. So, it's very, very complicated. Some of it, you know, increases in divorce, more single-family/single-child families, the deterioration of social institutions like youth sports, which, basically, went away during the pandemic. Institutions like church, service organizations. You know, we used to belong to all these clubs, now we spend all our time on our phones. So, it's a very complicated issue.

Social media is a two-edged sword. Social media...look, I mean, I wouldn't be talking to you today without social media, right? So, I mean, it's this wonderful, magnificent historic opportunity to meet people we never would've known before and to learn and connect in new ways. But it also can be very toxic. It can be a place where there's bullying and shaming and unrealistic expectations. And I do think, specifically with children today, it's a big problem. And there's been a lot written about this, I'm not saying anything new. And I also think to society in general, people of every age, that I think there are probably more negatives to social media than positives, at this point. I think it is a toxic pressure on our society and our culture.

SS

But is that the fault of the platforms, as it's been exposed in terms of the algorithms that they're using? Is it simply a matter of reinventing the concept of social media, decommercializing it? You talk about this, maybe we could jump into this concept of digital campfires, the rise of

closed communities enabled by platforms like Discord, you mentioned it in the book. Mastodon, of course, Slack. Does it ultimately mean that the big social-media platforms will be displaced by the rise of these private communities?

MS

I think it already is. I think, in many cases, it already is. And this is kinda where I go at the end of the book where, again, the future truly is being led by our children. And they look at what's going on on Facebook, they look what's going on on Twitter and they're saying, "Nope, we're gonna go someplace else. We're gonna create our own digital campfires and we're gonna meet where you can't see us."

So, there's a lot of interesting commercial implications for that. You know, and, look, Gen Z, these aren't babies. We just had the first Gen Z elected to Congress. These are consumers. And guess what? We can't see them. Social-listening platforms are becoming obsolete because they're hanging out in Discord, they're hanging out in the metaverse, they're hanging out on Fortnite. They're hanging out, you know, in places where they do not want to be seen, they do not want to be tracked, they want to have this closed-wall environment. So, it's a fascinating problem.

Maybe this is the first book that even sort of elevates this problem that we're facing. And it's not an original idea, I built on the ideas of Sarah Wilson, who wrote some very influential posts on the Harvard Business Review about this idea. Yeah, so, anyway, it's a complicated problem. I think the young people today are taking the solution into their own hands by dropping out of mainstream social media. (36.09)

SS

So, and I know I'm sort of jumping ahead a little bit here, but, you know, when you're thinking now, as a brand, about building a community, you might've thought about Facebook groups before. Now are you really thinking, "Well, maybe I should go this route of setting up a community on Mastodon?" - maybe too complex for the ordinary soul -but on a similar-type platform?

MS

We have to fish where the fish are. I mean, I think it gets to, you know, that simple. I mean, I created my community, which is dedicated to exploring the future of marketing, on Discord. I didn't wanna be on Discord. But the community said, "If we're gonna learn about the future of marketing, we should learn about this too." Can't really argue with that, so, there we are. And it's ended up actually being a lot of fun.

There are examples, in the book, where, like, Vans, which

is sort of a, you know, youth-oriented lifestyle brand, they created a gaming area within the metaverse called Vans World. So, these people who, you know, they're not going to Facebook, they're gonna go into this space and become part of this world. And, you know, Vans is gonna learn about them and they're gonna learn about Vans and they're gonna have fun together. And it's a new way of thinking about communities. Without question there's gonna have to be more creative ideas like that. And again, most businesses... the best-run businesses are there. Nike, Adidas, Coca-Cola, Disney. You know, they're there. But for a lot of these brands that are wedded to... you know, I'll give you a quick story, this heartbreaking. I worked with a gigantic brand, Fortune 100 company, I was working with the brand manager, we were working on all these creative ideas. And because they had a global universal ad contract, everything she wanted to do had to go through an ad agency and everything came back as an ad. Everything. She couldn't do anything different. She said, "I'm ready to risk my career by going outside this contract because I'm so locked in by, what I call, like the scaffolding of sick practices." So, I mean, now, if you're already losing your regular customers, you're nowhere near connecting with young customers today. So, there's gonna be a big painful wake-up call in the next two years for major brands.

SS

Sure. So, let me go back to the idea of igniting a community. Where do you even start with determining, let me phrase it this way, what the fuel for the campfire is? How do you stimulate conversation, activate the community, keep those conversations pushing the organization? You know, these are things that are far outside the traditional marketing playbook but it seems - and perhaps that's one of the next books is a playbook for community building - but go back to the idea of purpose that you were talking about earlier, because I think you said "you've gotta really start there." And this also I think ties back to something you were talking about at the very beginning that really, as a brand, you wanna be integral to the lives of people, you wanna matter to them, you wanna be relevant to them. You use that word quite a bit. So, is the formula here "land on a social purpose that the organization can rally around, which will give you social relevance to the larger community, which will lead, ultimately, to a social movement of sorts" - is that sort of the broad-scale strategy that you're advocating here? (40.27)

MS

Yeah. Yes, with a one, I would tweak it a little bit, that I do think...because, look, it is business and it is marketing that, whatever purpose you come up with, it has to be congruent with your business goals, you know, it's gotta be an intersection. And I think an example, you know, that I went to great lengths to present brand-new case studies and brand-new thinking in the book, but there is one well-known case study that I mentioned, and it's useful because people can relate to it, and that's Harley-Davidson. So, Harley-Davidson sells transportation but you never hear Harley-Davidson saying, "We're going crazy. It's our Presidents' Day sale, come on down now." You could never imagine them doing that. And they never will because everything in that company, and I have personal experience with this, you know, like, inside, working at the C level at Harley-Davidson, everything they do from the top of the company to the bottom is dedicated to one thing, helping people achieve their dreams through the lifestyle of motorcycling. Which I say in the book is a friendly way of saying, "We wanna make you a badass." So, if you wanna be a badass, Harley-Davidson is gonna do everything, even the sound of the motorcycle, the color of the motorcycle, the black-leather jackets. You're not gonna see a pink-leather jacket, it's gonna be a black-leather jacket because you're gonna be a badass. And so, it's just they have community. They have this deep deep emotional connection, that's all they work on, and they'll never have to have a coupon ever. And so, it's just such a different way of thinking.

Now, that's an intersection of purpose that is completely consistent with the Harley-Davidson company. And, you know, so, Harley-Davidson isn't gonna start a cooking show, they're not gonna start a cooking community, it is congruent with who they are and what they do. So, I spent quite a bit of time in the book with prompts to help people think about, "In our business, what can we do better? How can we have a bigger impact on the world with a community instead of just going it alone. And if you start thinking about that, you know, I think that idea of purpose might come about.

SS

But it's a triangulation as well, isn't it? I mean, the truth is people buy products for all the functional reasons that you were describing, "I need this, I need this, I need this." Yes, they have a choice of brands but often those brands

are commoditized, they look exactly the same. So, what becomes the difference makers? And the difference makers, I guess, you're arguing here, making the case here, that the purpose becomes the big difference maker. The fact that that brand has those values, those cultural-relevance touch points that will connect you emotionally to customers. Really, that's the connection point, isn't it?

MS

You know, I think a very valid question is, you know, is community for everybody? I mean, what if you are sort of a commodity product? And the only answer I can give to that, I have a one-word answer, YETI. It's an ice cooler. You know, six or seven years ago, I started noticing people wearing YETI caps and YETI stickers on their cars and their laptop computers. I'm thinking, "Wait a minute, this is an ice cooler. What am I missing here? Is this something else?" No, it is an ice cooler. And I'll never forget this moment...actually, I told this story in the book, I was in Wichita, Kansas, giving a speech, and there were a bunch of students there, they wanted to have their picture taken with me. And this young woman got out her phone and the whole back of her phone said YETI. I just couldn't believe it. She can't afford YETI. I said, "Why? Why do you have this?" And she went on for 10 minutes telling me about how she loves YETI, she believes in YETI. She told me the whole story. She said, "I don't have that much money but every Christmas I buy YETI gifts for my family because I believe in YETI. I am them." All right, it's an ice cooler, folks.

SS

In the book, you talk about how it was the head of marketing, who really was responsible for gaining traction, like using fishing guides as evangelists.

MS

One of the greatest marketing success stories of our generation. It really is. I mean, it was all word of mouth. It was all word-of-mouth marketing, you know, they didn't have any money. And, I mean, they did marketing right because they focused on meaning, they focused on being meaningful to people. (46.09)

SS

Well, and being integral to the lifestyles of the customers that they're serving, yeah. Totally. So, let me ask you, because, again, a lot of the ideas in the book are radical. And justifiably so, because I think marketing's at the point where it needs radical ideas to survive this existential crisis. If, let's say for the sake of argument, marketing does become now

the locus of community building...because the fact you bring out in the book quite clearly is that today, whatever the figure is, 70% of communities are actually run by the customer-service department as forums, self-help forums, etc. If marketing declares ownership of community building, and I think it rightfully should, how does it reorganize itself around this now being the core method? We have these obsolete marketing planning methodologies that are very media-based today; hence money still being spent on advertising, how do you now create an inverted structure within marketing that puts the community now, the customer portfolio, the community by extension, at the heart of those planning methods? That's quite a reversal to pull that one off?

MS

I think it gets down to this, leadership. There's no such thing as a grassroots cultural change, it gets down to the culture of your company. If your culture is "always be closing," community's not gonna work. And the only individual that can really change the culture of the company is the person at the top who holds the purse strings and is responsible for the strategy. And it's gotta be a mandate that says, "This is the way it's gonna be." It's not only a mandate, it's gotta be internalized in performance reviews and objectives and dashboards and measurements. You've gotta ask questions, "How's it going? What's going on with the community? What happened today? What did we learn? How can I support you?" That has to come from the top. That's the only way it's going to happen. And if it's not completely... just like the Harley-Davidson example. If it's not completely understood and supported by the company, it's not a marketing program, it's the culture of the company has to be focused on community and the customers. You know, if you're not there, you know, you're probably not ready to do it or it's gonna be kind of so-so. So, really, I wish there was a cleaner answer, and it is a simple answer, but it's a difficult one. It has to be leadership.

SS

Well, and marketing's justification for its budget has always been we fish where the fish are because you're chasing audiences. And here you're not chasing audiences. You mentioned the point, you're bringing the audience to you at that point.

MS

You know, kind of just connecting the dots between this and some of your other questions about change and starting and what do we do, you know what, this doesn't have to

be a total commitment of your budget. Experiment. Take 10% of your budget and try word-of-mouth marketing, experiential marketing. You know, those are some of the things we talked about in "Marketing Rebellion." Try those things. Try community. You know, it doesn't take a lot of money to create community. It takes commitment, it takes some resources, but, generally speaking, it's not gonna break the bank to just see if it can build momentum. So, I mean, you know, it's not a 180-degree shift. You can take 10% or 15% of your budget and just try, see what happens. And maybe the first try won't work. You know, maybe it's the wrong idea, it's the wrong purpose, it's the wrong people. But maybe you can crush your competition because you're probably not crushing your competition on coupons. (50.31)

SS

Right. So, I wanna delve into one other big area of the book. Toward the end of the book, you get into sort of more advanced potential waves of change and you talk about NFTs, you talk about the metaverse, obviously. Just about NFTs, because I thought that was a really interesting part of the book, I learned a lot about how NFTs work just reading that. And again, I go back to what you're really good at is distilling, you know, this complex idea down to its essence. But one of the interesting points you make is that tokens could be used to reinvent loyalty programs. And certainly we all know how loyalty programs today work, they're very transactional based, they don't really inspire an emotional connection to the brand but they serve as a barrier to exit. How do you see tokens replacing that kind of transactional relationship that goes on? Or maybe supporting the ultimate transition to a more meaningful relationship that a loyalty program can, in fact, lead to? How do you see that playing out?

MS

Well, I think there's really two different questions there. First of all, I would encourage you and your audience to watch what's happening with Starbucks right now. Starbucks is creating a token-based loyalty program. It's not the first to do it but it's the first to do it on this scale. Starbucks is a really smart company, they have a lot of money, a lot of resources. I mean, they're one of those well-managed companies we talked about. I expect they're gonna do it right. So, this is something to look at. And, you know, they may not be talking about it in Web3 terms because that's kinda spooky, scary stuff but their new loyalty program that they're rolling out now is a token-based loyalty program.

Now, the second part of that is how do you move that into community? I haven't actually kept up with this for a while but Starbucks used to have one of the largest and most active communities in the world. I remember I wrote about it on my blog, it had to be six or seven years ago, about how they set up this community and they were talking about new services and new this and new that. And I think, like, someone in the community, like, redesigned their straws. You know, so, they had this, you know, they were ideation and they were collaborating and they were co-creating. So, I mean, I think Starbucks has integrated that. And again, I assume they still have that community going, I haven't really studied it for a while, but I think the key is, look, most companies today are stuck on, you know, social media or maybe they've moved to having a content audience because they're producing podcasts and videos and blogs. And that's great, but the ultimate...I mean, we have to move. Okay, you've done that but don't be stuck there because the ultimate emotional connection is community. So, my prediction would be is that Starbucks will use this as a way to somehow create community. Maybe if you get enough awards, you're in this premium thing or something. Right? You know, I can almost bet that, if you collect enough of these tokens, there's gonna be an experience. You go to a concert; you go to something where you meet other like-minded people. So, you know, I haven't really studied it but it has to be all connected. Starbucks, they're very smart marketers. So, I predict that's the way it'll roll out.

SS

Yeah, that's an interesting point. Let me shift now just outside the boundaries, if you don't mind, of community building per se. I alluded earlier to the challenges with how you reorganize marketing. Indeed, if marketing even survives as a distinct function. Marketers face a ton of operational challenges. And more organizations now collecting first-party data, as you know, are starting to bring a lot of companies into the data-driven marketing space that never could've got there before. We're faced with bloated marketing automation platforms as a Cambrian explosion of choices we face. Still, terrible data fragmentation, lack of unified view of the customer. CDP is supposed to solve that, but that's a long road as well. The big thing is the fracturing of the discipline into many, many diverse specialties that don't play well together, if I may put it that way. So, what

we're dealing with here is spiraling complexity. So, I wanna ask, you know, a tough question, loaded question, but how do marketers deal with this complexity? And you have the gift of simplification. To me, there needs to be a simplifier here of how we go to market going forward. Is it a requirement now to start thinking about, based on the collection of data, this community-driven concept that you bring out in your book, what's going to be the formula here for success going forward without being dragged down under the waves by this complexity? (56.25)

MS

No leader can be an expert anymore. There's no human being that understands the internet. There's no human being that understands the economy, or even a part of the economy. In fact, it's just been shocking to me how many economists have just been so wrong about, you know, what's gonna happen and what's going on.

So, a great marketing leader today cannot hope to have all the right answers but they need to have all the right questions. Give up the idea that you're the master of marketing and you have all the answers. What you need to do is dabble in everything. Experiment in everything. You know, buy an NFT, get out on the metaverse, play Fortnite. Just learn enough that you know the potential so you go to your team and you can ask the right questions. "Have we explored this?" You know, "I saw new, you know, brand sponsorships on Fortnite. Is that something we should be looking into?"

So, you know, in my community, there's a lot of uncertainty because it's overwhelming, trying to learn all this. And one of the things I encourage them with, as I said, I tell them, "Look, you are on Discord. We're learning about NFTs. We just did an experiment where you were in the metaverse with me. We had people in our community give presentations in the metaverse. You are ahead of 99% of the marketers in the world. Just dabble. Keep dabbling. Keep pushing and experimenting." And so, just know enough to have the right questions. Give up, you know, on being the smartest person in the room. You know, have the courage to surround yourself with people a lot smarter than you, probably a lot younger than you.

SS

Well, I always like to make the point that a great marketer has a curious mind, that wants to investigate and explore all

of the options and then, obviously, have the fire in the belly to fight for change.

MS I think that's, you know, compassion and curiosity, probably the two top skills for marketing today.

SS And empathy, if that's related to compassion.

MS Yeah, empathy/compassion.

SS So, last year...I think it was last year, you had a TED talk and you were talking about the importance of staying relevant, I thought it was a terrific talk, and staying relevant in this era of massive change. And I think you drew an allusion to a surfboard, so, you know, surfing the next big wave, I think, you said was key. So, I asked ChatGPT, just out of curiosity, of course, like everybody, experimenting, what steps businesses need to change to change their marketing strategies in 2023? And it came up, the AI in 4 minutes came up with 10 points, which was interesting. So, number one was focus on customer needs. Two was emphasize empathy and authenticity. Interesting. Number six though was, I would've thought it might've been number three, was foster community and connection.

MS That's good it made the list.

SS It's a pretty good list. I looked at that and said, "Oops, I wonder how many consultants this will put out a business." It's funny enough because my brother runs a post-production company out in Vancouver and he's rebranding the company. And so, he started to ask ChatGPT how to brand his company, he got some pretty good answers back. So, here's the question, finally, the next big wave, right, you said that's really key. Is AI gonna be the game changer here? So, I'll go back to my complexity question - is AI going to help marketers deal with the complexity, is AI going to, basically, be the replacement for lower-level content production? We've seen some pretty amazing examples of that, is that the next big wave? (1.00)

MS It's probably the biggest wave, but there are a lot of waves. I mean, there are a lot of waves. You know, the big wave, I talk about in the "Belonging to the Brand" book, is mental health. I mean, like, so, if you have a business that's especially comforting, you know, that's your wave. So, I mean, I don't think you can look at just one big wave. I think you need to look, you know, just like a surfer. You're looking at all the waves coming at

you and you select one that you think that's gonna, you know, give you the best ride.

So, when ChatGPT came out, I wrote a blog post that said, essentially, something like, "This changes marketing forever beginning now." I've never used those words before in my life. Never. Not even close. I think, you know, you had to wait and see how the internet was gonna work, right? This is profound, it really is. It takes artificial intelligence away from these geeky rooms and makes it as simple to use as Google. It is gonna displace a lot of jobs because, if you're in the information business, you're done. If you're in the insight business, you'll probably be OK. And here's a beautiful example. When all this was happening, I interviewed Shelly Palmer, this tech analyst, and he compared this to the music industry in the 80s. When electronic music started, half of the professional musicians lost their jobs. But who stuck around? The greatest jazz musicians, the greatest players, you know, the greatest talents, the visionaries, the producers, the orchestrators, the writers. So, if you have insight, you win. If you dwell in information, you lose. And I think it's really that kind of black-and-white right now. But it's gonna change everything. And, I mean, in the next year or two years, it's not gonna be just basic simple content. In the next two years, I would say two years, every one of us will be able to create a feature-length movie from our kitchen table for no time and no money. So, all content is gonna be AI-generated. And so, that deserves a whole other interview show.

SS And book, I might add.

MS Yeah, maybe.

SS You know, Mark, this has been...first of all, I just wanna say that I thought it was gonna be a fun conversation because we're aligned on a lot of our values. It was completely fun and, obviously, educational for me too. So, I just wanna say thank you so much for the time. Thank you for all the great work you do because it is really inspiring. And I'm a vintage marketer, as we talked about at the start. So, it's, you know, an industry with constant learning, and you've been at the forefront of all of this for quite some time now. So, thank you again for your time today.

MS You're welcome. And thank you. And in the last 12 months, I've done about 250 interviews, and this was the best one.

Podcast

That concludes my interview with Mark Schaefer. As we learned, brand building will in future be indistinguishable from community building. Brand marketers will make community development the heart of their relationship marketing strategy, knowing it is the only way to win the true loyalty of customers. By creating and nurturing a community of like-minded people based on “shared interests”, and giving them a reason to stay involved, marketers can turn brand followers into fans. It is all about being more human, more relatable, and more integral to the lives of people.



Stephen Shaw is the chief strategy officer of Kenna, a marketing solutions provider specializing in customer experience management. He is also the host of a regular podcast called Customer First Thinking. Stephen can be reached via e-mail at sshaw@kenna.ca.