

LEARNING MADE EASY



6th Edition

Marketing

for
dummies[®]
A Wiley Brand



Use marketing strategies
to build brands and ROI

Master SEO, e-commerce, video,
digital, social and mobile channels

Apply psychology to win
loyalty and lifetime value

**Jeanette Maw
McMurtry, MBA**

Marketing and consumer behavior expert,
keynote presenter, and instructor



Marketing

6th Edition

by Jeanette Maw McMurtry, MBA

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Marketing For Dummies® 6th Edition

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Contents at a Glance

Introduction	1
Part 1: Marketing in a Thriving Consumer Culture	5
CHAPTER 1: Understanding Consumer Values and Mind-sets	7
CHAPTER 2: Triggering the Psychology of Choice for Lifetime Value	21
CHAPTER 3: Engaging Experiences and Journeys That Drive Sales and Loyalty	43
Part 2: Building a Strategy for LTV and ROI	59
CHAPTER 4: Laying a Foundation for Growth	61
CHAPTER 5: Researching Your Customers, Competitors, and Industry	77
CHAPTER 6: Creating a Winning Marketing Plan	99
CHAPTER 7: Content Marketing and Marketing Content	133
Part 3: Executing Across Channels	151
CHAPTER 8: Creative That Engages the Mind	153
CHAPTER 9: Optimizing Digital and Social Tools and Tactics	175
CHAPTER 10: Embracing the New Age of Advertising	201
Part 4: Powerful Ways to Build Sales through Email, Websites, and SEO	227
CHAPTER 11: Building Individual Value with Mass Personalization	229
CHAPTER 12: Building an Engaging and Winning Website	253
CHAPTER 13: Succeeding with Affordable SEO Strategies and Tactics	279
Part 5: Setting Your Brand Up for Sustainable Sales	297
CHAPTER 14: Leveraging Networks and Events	299
CHAPTER 15: Tuning In to the Right Sales Channel	315
CHAPTER 16: Prospecting and Selling for ROI	335
Part 6: The Part of Tens	357
CHAPTER 17: Ten Common Marketing Mistakes (And How to Avoid Them)	359
CHAPTER 18: Ten Ways to Measure Results (Beyond ROI)	363
Index	367

Table of Contents

INTRODUCTION	1
About This Book	2
Foolish Assumptions	2
Icons Used in This Book	3
Beyond the Book	3
Where to Go from Here	4
PART 1: MARKETING IN A THRIVING CONSUMER CULTURE	5
CHAPTER 1: Understanding Consumer Values and Mind-sets	7
Assessing the New Consumer Culture	8
Understanding the current marketing environment	9
Addressing a complex consumer mind-set	10
Bridging Generational Gaps	11
Creating Trust Equity in a Low-Trust Society	12
Building trust in a less-trusting world	13
Building relationships around a common purpose	15
Improving Customer Journeys for Sustainability	16
Making It Real and Keeping It Fun	19
CHAPTER 2: Triggering the Psychology of Choice for Lifetime Value	21
Connecting with Customers in Times of Fear and Uncertainty	22
Address feelings — don't avoid them	23
Show consumers how you'll protect them	24
Reward your customers	24
Be transparent and truthful to a fault	24
The Universal Influencers of Human Behavior	25
Triggers of the unconscious mind: The real driver of choice	25
Psychological triggers that drive sales	28
Understanding the Basics of Human Psychology	34
Freud's personality theory	34
Jung's personality theory	35
Tapping into Social Influencers	36
Authority	36
Social proof	37
Reciprocity	37
Scarcity	38
Appealing to Consumers' Happiness and Purpose	39
Putting It All Together	41

CHAPTER 3:	Engaging Experiences and Journeys That Drive Sales and Loyalty	43
	Moving from Reactive Customer Service to Proactive Customer Experiences	44
	Creating Experiences Around Personal Relevance	45
	Applying Technology for Memorable Customer Experiences	47
	Using artificial intelligence	47
	Succeeding without expensive apps and systems	48
	Taking Customer Experience Beyond Service	49
	Powering results with personalization	49
	Aligning with customers' values	50
	Providing options to round out experience	50
	Updating your toolbox	51
	Creating Customer Experiences Around Brand Communities	53
	Start a forum and invite the right people	54
	Spark meaningful conversations and creative opportunities	54
	Mapping Out a Touchpoint Journey from Introduction to Lifetime Value	55
	PART 2: BUILDING A STRATEGY FOR LTV AND ROI	59
CHAPTER 4:	Laying a Foundation for Growth	61
	Measuring the Growth Rate of Your Market	62
	Monitoring market and economic indicators	62
	Responding to a flat or shrinking market	64
	Finding Your Best Growth Strategies	65
	Develop innovative GTM strategies	65
	Grow what you have for higher profitability	67
	Building on a Market Segmentation Strategy	69
	Developing a Market Share Strategy	71
	Define your metrics	71
	Establish a benchmark	71
	Do the math	72
	Enhancing Your Positioning Strategy	73
	Defining your position	73
	Aligning your positioning strategy with growth initiatives	74
	Changing Your Mind-set	74
CHAPTER 5:	Researching Your Customers, Competitors, and Industry	77
	Conducting Research That Delivers Actionable Insights	78
	Monitoring social chatter to better understand your customers	79
	Following relevant blogs	81

Gathering Information about Market and Consumer Trends	81
Paying attention to information resources	82
Uncovering what really drives your customers.	82
Preparing Effective Surveys to Ensure You Get Accurate Insights . . .	83
Determining the right format for the metrics you need	84
Defining your objectives.	85
Using clear, concise wording.	86
Understanding Some of the Technical Stuff	87
Net Promoter Score	87
Level of confidence	89
Paying Wisely for Market Research.	90
Getting feedback from prospects without purchasing expensive lists	90
Using low-cost and free ways to build knowledge	91
Staying on Top of Social Trends	97
CHAPTER 6: Creating a Winning Marketing Plan	99
Getting Started on a Launch or Growth Plan	100
Defining your business.	100
Mapping out your action plans	106
Setting a budget.	108
Considering Pricing Strategies.	110
Pricing opportunities and obstacles	110
Avoiding the dangers of deep discounting	111
Mastering the Psychology of Pricing.	112
Pricing to address perceptions	113
Framing prices	114
Creating Your Controls or KPIs	115
Conducting a SWOT Analysis	115
Finding your strengths	116
Addressing your weaknesses.	117
Looking for opportunities.	117
Focusing on functional alternatives, or threats.	118
Mapping out your SWOT grid	119
Winning with Collaboration and Corporate Social Responsibility . .	121
Sharing is caring (and good for business)	121
Teaming up on CSR	122
Leveling Up in More Ways Than One	123
Monitoring and reacting to trends	124
Developing the customer experience.	125
Mapping Out Your Action Steps	126
Step 1: Complete a situational analysis/summary	127
Step 2: Establish your benchmark.	127
Step 3: Define your goals	127

Step 4: Take note of lessons learned	127
Step 5: Outline your strategy	128
Step 6: Commit to action items	129
Step 7: Build learning plans	129
Projecting Expenses and Revenues	130
Preparing for economic influences	130
Coming up with a reasonable budget	130
CHAPTER 7: Content Marketing and Marketing Content	133
Getting the Gist of Content Marketing	134
Separating content marketing from marketing content	135
Creating content that engages	135
Channeling your content	136
Leveraging influencer sites	137
Creating a Credible Content Marketing Plan	138
Performing a communications audit	138
Getting your content read	140
Producing Compelling Marketing Content	141
Essential elements of content	141
Writing tips for better results	143
Sparking interest with user-generated content	146
Giving Ad Content Greater Stopping Power	147
Be consistent	148
Be as persuasive as possible	148
Be professional	149
PART 3: EXECUTING ACROSS CHANNELS	151
CHAPTER 8: Creative That Engages the Mind	153
Assessing Your Current Creative	154
Conducting a creativity audit	154
Questioning (almost) everything	154
Defining Your Creative Strategy	156
Building your creative elements	157
Coloring your creative psychologically	157
Using brand iconology	160
Writing words that work	161
Crafting a Sustainable Brand Identity	163
Writing a Creative Brief	165
Goals	165
Offers and promises	165
Supporting statements	165
Tone or persona	166
Emotional drivers	166

	Wannabe profiles	167
	Color palette	167
	Golden triangle pattern	167
	Constraints	168
	Execution	168
	Applying Creativity to Branding and Much More	169
	Creativity and product development	169
	Simple ways to spark new ideas	170
CHAPTER 9:	Optimizing Digital and Social Tools and Tactics	175
	Getting Familiar with the Channels Customers Use Most	176
	Using Facebook for engagement that builds sales	177
	Building your Twitter presence	182
	Igniting your social media presence with Instagram	183
	Expanding your network through LinkedIn	183
	Promoting your brand with Pinterest	185
	Developing Digital Tools That Drive Brands	186
	Podcasts	187
	Webinars	189
	Online courses	192
	Videos	193
	Online review sites	195
	Giving to get more	196
	Using Automated Customization to Work Smarter and Faster	198
CHAPTER 10:	Embracing the New Age of Advertising	201
	Advertising on Social Media	202
	Harnessing the Power of Facebook, Instagram, and Messenger Ads	202
	Setting up on the YouTube stage	206
	Advertising on LinkedIn	208
	Advertising with Mobile Apps	209
	In-app advertising	209
	App advertising platforms	210
	Winning with Sponsored Content	211
	Editorializing your content page placements	212
	Using e-newsletter placements	212
	Sponsoring third-party content	212
	Exploring Digital Banner Advertising	213
	Getting attention with banner and pop-up ads	213
	Retargeting consumers with banner ads	215
	Making the Most of Print Advertising in a Digital World	217
	Community channels for print advertising	217
	Industry publications	217

Elevating Your Brand with Broadcast Advertising	220
Television advertising	220
Radio advertising	222
Tips for producing TV and radio spots	223
Investing in the Basics behind Successful Advertising	226

PART 4: POWERFUL WAYS TO BUILD SALES THROUGH EMAIL, WEBSITES, AND SEO 227

CHAPTER 11: Building Individual Value with Mass Personalization 229

Grasping the Basics of Direct Marketing	230
Understanding the Elements of Successful Direct Marketing	231
Data matters	232
CRM matters	235
CRM systems	237
Messaging matters	238
Creating Direct Campaigns for Direct Profitability	240
Encouraging customers to take action	241
Building effective email lists	244
Prepping Your Email Campaigns for Success	246
Setting up triggered emails	247
Implementing personalized emails	248
Improving Print Open Rates	248
Testing Your Direct Marketing	249
Telemarketing: To Call or Not	251

CHAPTER 12: Building an Engaging and Winning Website 253

Building Out the Elements of a Successful Website	254
Clearly defined goals and calls to action	254
Easy-to-follow navigation	255
Clean and inviting design	257
Meaningful content that adds value	257
Interaction that pulls visitors into your brand story	260
Direct relevance	261
Creating and Managing a Web Identity	262
Aligning with what customers expect to see	263
Expanding your web imprint	265
Crafting a Website That Drives Engagement and Sales	266
Integrating key design elements	266
Minding your KPIs	269
Driving Traffic and Conversion with Content	273
Keeping content fresh and timely	273
Making claims verifiable	273

Asking engaging questions	274
Maintaining critical content categories	275
Putting It All Together for the Perfect Website	276
Using website builders	276
Finding quality imagery	277
CHAPTER 13: Succeeding with Affordable SEO Strategies and Tactics	279
Understanding the Basics of SEO	280
Figuring out how Google searches the internet	280
Growing organic and paid SEO	281
Curating keywords	281
Making links	283
Playing tag	285
Landing Pages and Blogs	286
Optimizing SEO with Google Ads	288
Setting up your Google Ads account	288
Creating your first Google Ads campaign	289
Driving Traffic and Sales with Google My Business	292
Setting up your Google Business Profile	293
Creating a profile that stands out	293
Managing your results	294
Remaining Relevant and Current in SEO Rankings	295
Online resources with updated insights	295
Additional tactics for more SEO results	296
PART 5: SETTING YOUR BRAND UP FOR SUSTAINABLE SALES	297
CHAPTER 14: Leveraging Networks and Events	299
Harnessing the Power of Social Hives	299
Growing your network with customer referrals	300
Hosting customer events that inspire engagement, loyalty, and referrals	301
Expanding your imprint with client advisory boards	304
Launching Your Own Public Event	305
Hosting events with meaning	305
Funding and monetizing your event	306
Getting help managing your event	306
Supporting Third-Party Events	307
Getting behind cause-related campaigns and events	307
Sponsoring fundraising events	308
Finding a good fit	309

Maximizing Trade Show ROI	310
Locating trade shows	311
Building the foundation for a good booth	312
Selecting space on the expo floor	313
Getting people to your booth	313
CHAPTER 15: Tuning In to the Right Sales Channel	315
Setting Up a Successful E-commerce Program	316
Rising above the competition	316
Fulfilling orders and delighting customers	317
Curating customer experiences online	317
Converting online traffic to sales	317
Upping your SEO rankings	318
Increasing shopping cart fulfillment rates	319
Understanding Your Options	320
Building your own e-commerce store	320
Paying someone else to do it for you	322
Setting Up Third-Party Digital Storefronts	322
Selling with eBay	323
Selling with Amazon	324
Considering Off-line Distribution Strategies	326
Understanding Channel Structure	329
Preparing for Successful In-Store Selling	330
Creating an inviting store vibe	330
Stimulating sales at point of purchase	331
CHAPTER 16: Prospecting and Selling for ROI	335
Exploring Proven Prospecting Tactics and Tools	336
Prospecting tactics that work	337
Prospecting tools that generate leads	337
Selling for a Lifetime	339
Calculating lifetime value	339
Understanding the importance of customer loyalty	341
Getting to Yes via Emotional Selling Propositions	343
Defining your process	344
Establishing SME status to bolster sales	345
Prioritizing Your Pipeline	347
Categorizing each opportunity	347
Sorting by emotional triggers	347
Consultative Selling and Account-Based Marketing	348
Tactics for consulting with consumers	348
Tips on consultative selling	349
Relying on account-based marketing	350

Creating Sales Presentations with ESP Power	350
Inform, involve, inspire	351
Tell your brand story	352
Respond to problems	352
Organizing and Managing Your Sales Force	353
Determining how many salespeople you need	353
Hiring your own salespeople or using sales reps	354
Compensating your sales force	355
PART 6: THE PART OF TENS	357
CHAPTER 17: Ten Common Marketing Mistakes (And How to Avoid Them)	359
Making Assumptions	359
Ignoring Customer Complaints	360
Faking Popularity	360
Using Dirty Data	360
Competing on Price	361
Ignoring the Emotional Drivers of Choice	361
Forgetting to Edit	361
Offering What You Can't Deliver	362
Treating Customers Impersonally	362
Blaming the Customer	362
CHAPTER 18: Ten Ways to Measure Results (Beyond ROI)	363
Establish Clear Objectives	363
Tie Your Metrics to Your Objectives	364
Set Learning Priorities	364
Establish a Target ROI	364
Know Your Customer Lifetime Value	365
Know Your Allowable Customer Acquisition Cost	365
Establish Benchmarks	365
Turn the Funnel Upside Down	366
Adjust Your Funnel Benchmark Assumptions When You Have Real Data	366
Avoid the Dashboard Trap	366
INDEX	367

Introduction

Marketing is part science, part art, and many parts technology, and is truly one of the most fulfilling roles you can play in business.

Science gives us data and analytics to understand and predict consumer behavior. Psychology sheds light on what really drives thoughts and choice. Art enables us to creatively engage and speak to consumers, and technology allows us to communicate personally and powerfully, and deliver on customers' expectations for products, marketing, and purchasing options. The key to successful marketing for any brand, business-to-business (B2B) or business-to-consumer (B2C), is to skillfully blend all of those tools and more.

Given how fragmented consumers' attention is from daily exposure to thousands of ads, all the social media channels on which we live, and the many shopping options consumers across industries now demand, it's increasingly important to craft a marketing plan designed to deliver strong returns on marketing investments as well as sustainable sales.

On top of all that, the fundamentals of human behavior remain unchanged, yet the rules of marketing continue to change. This book contains the insights, tips, and tactics you need to build successful and sustainable brands, marketing programs, and campaigns. Whether you are a small business owner or operator, or a marketing executive of a large enterprise, *Marketing For Dummies* enlightens you on what really drives consumers to purchases and loyalty, and how to build and execute messaging, pricing, experiences, direct and mass marketing campaigns, and selling strategies to achieve lifetime value.

Reading this book gives you an actionable understanding of tactics, technologies, and channels that can help you succeed in a consumer-driven world. When you finish this book, you'll know how to best get your products to market, engage consumers on profitable journeys, and compete in ever-changing markets and an increasingly consumer-driven world.

Marketing isn't for the fainthearted, but it is for those who love fun, creative, and exciting challenges. You are limited only by the limitations you put on yourself. Get set. Go. And have fun!

About This Book

The main rule of marketing today is that you can't blink. Few areas of business, if any, move as fast and change as often as marketing. This sixth edition of *Marketing For Dummies* serves as your guide for strategy and execution. It also helps you think about marketing at a higher level, and guides you in crafting successful marketing plans and campaigns that will help you build any brand and your own career in this exciting and ever-changing field.

Ultimately, *every* marketer, regardless of your business, size, or industry, can benefit from this book's insights on how to engage complex and demanding consumers, efficiently deploy the tools, channels, and technologies you have at your fingertips, and measure the impact of all you do, down to the individual customer level. These pages hold the key to executing successful customer journeys and experiences as well as direct mail, email, digital, and print campaigns that drive sales and profitability and, of course, tell you how to do all this while reducing costs and increasing efficiencies.

This book caters to everyone who wants to influence behavior and attitudes, whether you manage a business, political campaign, public service department, or nonprofit, or are an independent consultant. It helps you lay the foundation for growing any business by securing lifetime sales and loyalty.

Foolish Assumptions

Even though I admonish you to avoid assumptions about your customers and markets throughout this book, I have made some about you while writing this edition.

- » I assume you're entrepreneurial and have the responsibility and desire to market a brand or product successfully in your current business environment. But I don't assume that you have all the technical knowledge you need to execute successful campaigns today, so I explain each technique as clearly as possible. I also assume you're willing to try new ideas, technologies, and processes to improve sales and grow your organization.
- » Of course, I assume you're willing and able to switch from being imaginative and creative one moment to being analytical and strategic the next, because being successful at marketing requires both approaches. As you read this book, you sometimes find formulas that help you run the numbers and make projections for lifetime value, return on investment (ROI), and cost per

customer. Other times, you're guided to use your imagination and think of fun activities to help you communicate with emotional relevance and appeal. But most important, you're guided to think the way consumers think today and understand how to appeal to the psychology of choice.

- » I certainly do *not* assume you have an unlimited budget. This book provides recommendations for creating programs that you can execute on any budget.

Icons Used in This Book

Look for these symbols to help you find valuable info throughout the text:



REMEMBER

When I want to get you up to speed on essential or critical information you need to know to succeed, I mark it with this icon.



TIP

This icon flags specific advice you can try out in your marketing program right away. And because you sometimes need the right perspective on a problem to reach success, this icon also highlights suggestions for how to handle the task at hand in an easy manner.



TECHNICAL
STUFF

The Technical Stuff icon marks information of a highly technical nature that you can normally skip over.



WARNING

You can easily run into trouble in marketing because so many hidden mines are just waiting for you to step on them. I've marked them all with this symbol.

Beyond the Book

In addition to the great content in the book or e-book you're reading right now, you can find more marketing tips and suggestions at www.dummies.com by using the search box to look for the "Marketing For Dummies Cheat Sheet." These, plus the numerous narrow-topic books on marketing in the *For Dummies* line, give you lots of additional options for researching your marketing program.

Where to Go from Here

If you read only one chapter in one business book this year, make it Chapter 2 of this book, which explains the psychology of choice and how to trigger consumers' unconscious minds for unthinkable ROI. Unless you know what really drives people's emotions, joys, fears, expectations, aspirations, and other triggers of behavior, you can't be effective in building a sustainable business founded on lifelong relationships with valuable customers.

Perhaps you have a pressing need in one of the many specific areas covered in this book. If elevating your SEO keeps you up at night, start with Chapter 13. If fixing your website is the top item on your to-do list, go to Chapter 12 first. If you need to increase the effectiveness of your sales strategies and approaches, try Chapter 16. Working on getting better open rates and conversions from email and direct mail? Chapter 11 outlines the elements of impactful campaigns and how to execute them successfully. Chapter 6 helps you build a workable and measurable marketing plan, and Chapter 9 guides you on using and managing many of the current digital tools and tactics proven to build sales and profitability.

Whatever your business and whatever your role, this book provides you with new ways of thinking and doing, all of which are proven to work for businesses both big and small, in the B2B and B2C sectors, and throughout all industries. So start reading, fire up your imagination, and let your marketing light shine.

1 Marketing in a Thriving Consumer Culture

IN THIS PART . . .

Learn the nuances of a complex consumer culture and how to engage consumers with diverse attitudes, mind-sets, and values.

Appeal to the psychology of choice, which drives most of our thoughts, attitudes, and behavior.

Create customer experiences that build brand enthusiasm and loyalty.

IN THIS CHAPTER

- » Understanding (and embracing) a new culture of consumerism
- » Reaching across and connecting generations
- » Creating trust equity in a low-trust society
- » Building relationships around a common purpose
- » Changing customer behavior with fun experiences

Chapter **1**

Understanding Consumer Values and Mind-sets

Consumer behavior, attitudes and loyalty constantly change, and more rapidly so in a dynamic market and society. Business owners, managers, and marketing professionals all must pay close attention to these changes and learn to adapt to meet new needs and demands.

The 2020s started out with more change than most of us could ever imagine. The way we shop was not excluded. Loyalty to brands shifted and so did the tendency to buy just for the sake of buying. Consumers starting rethinking what they value most in life and how they purchase. Research firms like Deloitte, EY, McKinsey, and Nielsen have dug deep into how consumers have evolved in recent years and what to expect in the future.

This chapter presents some of those firms' key insights as well as tips for applying them to your marketing programs. I let you in on what you need to know to keep up in all industries and with businesses of all sizes. In this chapter, you get started on a successful marketing journey.

Assessing the New Consumer Culture

A study by NielsenIQ showed the COVID-19 pandemic and its economic repercussions changed how 67 percent of consumers shop. Most said their purchases became centered around necessity more than frivolous wants, and they don't really see that changing anytime soon.

EY's report *US Future Consumer Index 8: Do consumers drive the market or does the market drive consumers?* (covering May 2021–October 2021) showed substantial bumps in the importance of service, quality, price, and, not coincidentally, product availability. These priorities are also not expected to change soon. Add these to the expectations consumers have that brands operate with high environmental, social, and governance (ESG) standards, and it's a whole new world of consumerism for brands across all business sectors.

Kathy Gramling, EY Americas' consumer industry markets leader, summed up the firm's research with the statement that perhaps we are in an environment where the consumer doesn't always decide what matters most, but rather the market forces consumers to make new choices about what's important.

As we explore how markets and consumers have changed, businesses small and large must find ways to adapt.

Following are examples of change in purchasing behavior sparked by the onset of the COVID-19 pandemic:

- » 50 percent say their values and the way they look at life have changed.
- » 45 percent don't want to go back to living exactly like before the pandemic.
- » 57 percent say they try to save more money than in the past.
- » 60 percent expect to save more in the long term and to be more aware/cautious about spending.
- » 48 percent buy less to save money.
- » 58 percent will continue to focus more on value for money spent in the future.

The dichotomy of the growing emphasis on spending less is that consumers have been conditioned to expect greater levels of convenience, including both online and in-store shopping options, home delivery, and curbside pickup, without paying for these extras.

Another very telling trend that no business can ignore is the sharp rise in e-commerce since 2020. According to the United Nations Conference on Trade and Development, the e-commerce sector of the global economy grew from 16-19 percent in 2020, which was considered a dramatic rise. Online business-to-consumer (B2C) sales for the world's top 13 companies generated \$2.9 trillion in 2020, according to the United Nations report. Global brands you'll recognize from the top 13 that grew substantially while small businesses struggled during the pandemic include Walmart at #1 followed by Amazon, Schwarz Group, Aldi, and Alibaba, rounding out the top 5.

In the U.S. alone, from 2018 to 2020, online retail sales rose from \$519 billion to more than \$791 billion. The online share of total retail sales grew from 10-14 percent in just those two years. Walmart's sales were up 72.4 percent during this period.

For businesses of any size, the new consumer culture and economic reality can be daunting and invigorating at the same time, especially when you consider that market conditions and consumer priorities have changed, but human nature has not. We are still governed by emotions and attitudes that influence how we think, what we buy, and how we assign loyalty. The availability of affordable technology for crafting and sending messaging personalized to the emotions that trigger behavior among various consumer segments continues to level the playing field.

No matter the nature or size of your business, opportunities are abundant to learn more about your customers and what matters most to them. Staying on top of consumers' preferences and trends is key to success. The more knowledge you have, the faster you'll reach your destination.

Understanding the current marketing environment

With all the channels of communication and technology available today, you can discover just about anything you need to know about your customers' wants, needs, expectations, and much more.

You can also monitor consumers' attitudes, political preferences, and lifestyles on social media and insert your messages into their personal pages and sites they browse. And you have the ability to analyze their past behavior and scientifically

predict their future behavior using real-time data and artificial intelligence that knows few bounds. As a result, consumers expect you to know their specific needs, and engage with them accordingly, if you want their business.

Beyond understanding and communicating with them on an individual level, today's consumers expect you to align with their social, environmental, and even political values. If you don't, many will find a brand that does, no matter how much you've done for them. With all the options available across all business categories, loyalty is becoming harder to secure.

As a marketer today, you don't just have to up your game; you have to play a whole new one if you want to attract and keep customers for the long term, the only way to succeed in a market where barriers to entry are low in many business categories and competitive pressures increase almost daily. You have to change the way you distribute your products and services, how you reach and communicate with your customers and prospects, and how you engage them emotionally, and how to enable them to interact with you. Additionally, you have to offer much more than a great product and value point; you have to offer consumers a fulfilling experience that adds value, happiness, or excitement to their lives.

This book is about doing all the above and more, effectively and affordably, in an up or down economy, for any business in either the B2C or the business-to-business space. It's also for entrepreneurs starting a new business and marketing managers at regional or national businesses wanting to have a big impact on their brand's revenue and competitiveness, and their own careers.

Beyond going through the essentials of building marketing and sales plans, digital engagement, e-commerce programs, promotions, distribution channels, pricing, and many more strategies, this book provides guidance on how to develop emotionally relevant, creative experiences, online and off-line. You discover the power of emotional selling propositions for capturing trial and lifetime value in an increasingly complex consumer culture. I tell you how to analyze marketing campaign data beyond open and click-through rates, measure results, and identify the best ways to spend valuable resources.

Before we get into the how-tos and guidelines for doing these things, you need to focus on the mind-sets and behaviors inherent in a new era of consumerism largely influenced by recent world events, societies divided by misinformation and political agendas, and a volatile economy. No easy task.

Addressing a complex consumer mind-set

Today's consumer mind-set can be summed up in just two words: *distracted* and *demanding*.

Distracted: Levels of distraction from being “present” at any given moment, place, or time just keep growing. A few years ago, adults in the U.S. spent around 11 hours a day looking at a screen. That number is now more than 17 hours a day, according to a study by Vision Direct that projects the average U.S. adult will spend around 44 years of their life staring at a screen. While many of us use screens in our daily work routine, we are relying on screens more and more for our recreational needs, which have gone up substantially since 2020, according to a report by the National Institutes of Health. Other reports show that we can’t be without our phone at our side for more than 2 hours a day. We use our phones to play games, check emails, look for validation on social media, text with friends and even strangers, shop, browse customer reviews, check out locations, and so much more.

Demanding: Consumers are demanding more and more that brands cater to their individual needs and offer multiple options for doing business with them, reward them for their business, and provide experiences worth going back for. Choices are increasingly being made based on a brand’s social values, corporate social responsibility, political positions, and ESG actions. Add to all that consumers’ high expectations for convenience, fair and affordable pricing, service, quality, shopping options, and the overall experience they get from your brand.

Yep. It’s not easy to be in business today, but armed with the right knowledge and tactics, business owners and marketing executives can not only thrive but rise above.

Bridging Generational Gaps

Adding to the complexity of how consumers think is the fact that every generation you target has different expectations and preferences for engaging with brands. Some considerations follow.

Baby boomers, the generation born between 1946 and 1964 represent a strong purchasing power. In 2019 in the U.S., they accounted for \$548 billion in spending. While many of them use digital resources like texting, email, social pages and more for their everyday information and communication needs, they grew up with radio, TV, and newspapers. Many still use traditional media for their news and shopping information.

Generation X, which represents people born between 1965 and 1980, is active on social media channels like Facebook and LinkedIn, and often turns to their social media network for purchasing advice. Their trust in business and brands has wafled for many reasons over the years because they hit their stride as consumers

during an era of social injustice, corporate greed, and much inauthenticity about products, brand values, and more. They tend to align with brands that are transparent and make an effort to understand them and cater to their needs.

Generation Y, also known as millennials, born between 1981 and 1996, had a collective spending power of around \$1.4 trillion as of 2020 and tends to put their money toward brands with strong ESG ratings and practices. They are very adept at using digital channels to research brands before they do business with them. More than 80 percent of millennials seek to purchase from brands with values similar to theirs, and nearly 80 percent want companies to speak out about their positions on current issues. Transparency, authenticity, and reciprocity are key to this generation. Because they grew up largely in a digital-driven world, they use many digital channels, across multiple devices, and are relatively easy to reach. However, millennials do not respond as easily as other generations to targeted marketing campaigns and prefer meaningful, actionable content that aligns with their values and lifestyle, and enables them to make wise decisions.

Generation Z, born between 1997 and 2012, the youngest generation of consumers, has the same drive as the preceding generation to align with brands with values similar to their own. They tend to gravitate toward cause-related marketing as well. This generation is tough to reach through traditional marketing channels because they use ad blockers and apps like DuckDuckGo to prevent brands from tracking their purchasing and social media behavior. The platforms they use most include YouTube, Instagram, Twitter, and other short-form apps such as Snapchat and TikTok. They tend to be persuaded by “influencers,” which has given rise to a whole new marketing genre — *influencer marketing* — and they use social media to validate their own lives.



REMEMBER

The best tool you have when fighting the battle for consumers’ attention is a good marketing plan that directs your messaging, actions, resources, and customer experiences across the channels your targeted customers use most while going about their daily lives and making decisions for the short and long term.

Creating Trust Equity in a Low-Trust Society

Every year, Edelman conducts a trust survey to assess the pulse of trust among consumers for business, government, and media. In 2017, the report was summed up as “Trust in Crisis.” In 2022, the theme of the survey is “The Cycle of Distrust.” Not the direction we want our world to be going.

Looking at the positive side, of all the institutions covered in the Edelman report — business, NGOs, government, and media — business is the most trusted. Edelman’s report shows 61 percent of consumers trust business, and only 52 percent and 50 percent trust government and media, respectively. “Fake news” concerns contribute to the lack of trust among consumers. The cycle of distrust for government and media based on disinformation about social and political issues threatens social stability more than ever because many consumers expect business to solve what government cannot or will not. Large percentages of consumers expect company CEOs to inform and shape conversations around the economy, technology, wage inequality, climate change, prejudice and discrimination, immigration, and education, likely changing the role of business forever.

According to Edelman’s 2022 Trust Barometer, 63 percent of consumers worry that business leaders purposely mislead society with false statements, while 66 percent and 67 percent believe the same about government and media, respectively. That isn’t a great benchmark. And to add more complexity to marketers’ task of building trust, the lower the consumer’s income, the lower their trust, throughout the U.S. and globally. Most troubling in this report is the statement that distrust is the default, or so say 59 percent of respondents representing 24 countries.



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The least trusted sectors are social media first, followed by financial services, fashion, consumer packaged goods, and industry.

Building trust in a less-trusting world

Marketers can restore trust and build sustainable customer relationships. Following are some examples of how:

- » **Stake out your position.** Create and distribute clear, factual information about your brand, your products/services, and the values you support.
- » **Be transparent.** Your product ingredients, materials, sourcing, manufacturing processes, and charitable donations are just a few issues that matter to consumers. Greenwashing, or presenting misleading information about how environmentally sound a product is, does irreparable damage to customer relationships — and ultimately to sales.
- » **Own your mistakes.** You don’t have to adhere to the “customer is always right” mantra at a time when customers cannot always be trusted to be fair to brands. But you do need to admit fault when it’s due and make things right. Domino’s is a great example of this concept. At one point, the brand admitted to producing a low-quality product. They communicated their actions and

commitment to do better. It paid off. Revenue went up nearly 14 percent from 2010 to 2020.

- » **Stand for something bigger than your bottom line.** Communicate your social positions and your charitable contributions, and involve customers in your cause. We tend to trust “those just like us,” and creating bonds around issues that matter to consumers is a great way to build common ground.
- » **Communicate your impact.** Porter Novelli’s Purpose Premium Index for 2021 shows 73 percent of U.S. consumers choose to support companies that explain how they are making positive change in communities and the environment.



REMEMBER

The best competitive advantage is your ability to get consumers to trust you. This is far more important than price, even in a challenging economy. Trust goes beyond honesty and integrity. It encompasses your ESG values and your corresponding actions.

It’s critical to know what customers think of your brand and the level of trust they have in you. Deloitte and Twilio did a joint study in 2021 that found significant discrepancies between the level of trust consumers have for brands and the perceived level of consumer trust those brands’ executives believe they have.

Consider this:

- » 79 percent of B2C leaders believe consumers have a high level of trust in their brands.
- » 52 percent of consumers agree.

Important to note is that 68 percent of respondents to this study said they will spend around 25 percent more on products or services from a brand they trust, and they will give that brand permission to collect personal data for future marketing.

As you read this book and develop your own strategies, messaging, marketing, and engagement programs, keep in mind the power of maintaining transparency, ensuring integrity in your deeds and alliances, and living your values.

A marketing plan isn’t just a road map for how you’ll develop products, build distribution channels, and earn profits; your marketing plan must also define the following:

- » What you stand for
- » Your ESG actions