

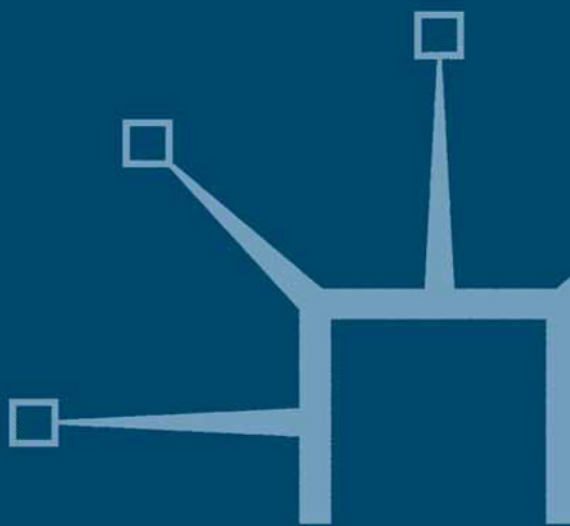
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# The Nature of Marketing

Marketing to the Swarm as well as the Herd

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Chuck Brymer



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Marketing to the Swarm as well as the Herd

**Chuck Brymer**

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## Acknowledgements

**W**riting a book is either a labor of love or just plain labor, I am not sure. In my case, I wanted to write this book to reflect upon the profound influence that digital communities are having in transforming our businesses and society. Equally important, I wanted to give my take on what those of us in the marketing community need to do to capitalize on this opportunity.

There have been many people who have contributed to this effort – way too many to mention. Even my dog has gotten in the act, eating part of the original manuscript. Perhaps he didn't like what he was reading.

I do, however, want to send a call out to a few people who helped bring this to life. One of those is Jeff Swystun, a colleague of mine at DDB, who in his own diplomatic way prodded me to keep going. Another has been my assistant Ann Wrynn, who graciously reminded me that Jeff was prodding me to keep going. Lastly, of course, is my family who put up with seeing me less than they already do ... something I am not sure was really a burden.

More than anyone, this book belongs to the more than 13,000 people of DDB. A global communications firm that is leading a charge into the ever-changing world of social media and swarm marketing ... and whose collective curiosity is insatiable. Thank you.



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## Preface

I enjoy looking at predictions of the future. When I grew up in the 60s and 70s, people imagined having things like flying cars, two-way videophones worn on the wrist, and jet packs strapped to a person's back.

Today I find it interesting to hear all the people who have predicted the death of advertising, in an era of fragmented channels and online social networks.

Of course, I am biased. As the CEO of DDB Worldwide, one of the world's largest advertising agencies, you might expect me to see a bright future for advertising. But it also gives me a front-row seat to watch the dialogue between brands and their consumers, and see how this dialogue is changing over time.

Here is what I see today. Our industry has always been focused on marketing to millions of individuals sitting in front of their televisions watching our message, or surfing the Web and seeing our banner ads. If we are good at what we do, a certain percentage of these people will respond. If we are better, more of them will respond. But it has traditionally been a one-way monologue from us to them.

Now here is what I visualize for tomorrow. We will be marketing to digitally linked communities that behave as a single organism and respond quickly to points of influence. These communities are fueled by the connectivity of the Web 2.0 generation, but follow principles of behavior that researchers have seen since the dawn of time in social groups ranging

from swarms of bees to early human civilizations – principles that are fundamentally changing the way we view and practice marketing.

This past decade has seen the rise of viral marketing, where people spread your brand message contagiously from person to person. More recently in the digital age, we have started talking about things like influencer marketing, where targeting the right key people or the right blogger can spread the word about your brand. And today marketing coexists in a world of alternative media channels and social networks.

Which brings me to the core concept of this book: *Digital connectivity is creating consumers who behave less like individuals, and more like a community.* Yesterday's consumers responded to advertising within the isolation of their own magazine or television set. Today's consumer posts to virtual forums, reads online ratings from other community members, and shares viral videos. Tomorrow's consumer will be even more connected. And the result is a global community that behaves the same way our ancestors did when they gathered around a bonfire; they are influenced at a community level.

Once you understand the dynamics of *any* community, real or virtual, you start to see the common thread between all of these trends. Biologists and social scientists have seen them for decades. In a community, a small number of people – sometimes even *one* person – can quickly become the voice of a hundred, a thousand, or 200 million, in much the same way that a single darting fish can move the entire school toward food or away from a predator. Think about how social movements start, or how gossip spreads, and you will understand the future of marketing better.

The key here is that these communities transcend both technology and trends. For example, look at what happens when a hot new viral video spreads through the blogosphere. Unlike viral marketing, the people who watch it may never speak to each other. And they are not necessarily "influencers," but rather everyday people. But their individual actions, as



they flock toward their normal gathering places in a digital community, lead to a group outcome.

Communities are composed of agents who follow simple rules, which lead to a collective intelligence. So when someone posts a comment on an online rating site, or a popular band releases its new CD online, it sets off a sudden – but at the same time predictable – chain reaction across the entire social network. These new digital communities are about the power of one person, and at the same time the power of many.

What will this new, digitally connected metaverse mean for you, your brand, and your customers' reaction?

First, it will give you tremendous leverage. Later in this book, you will see how we took a tiny marketing budget and an edgy viral video and launched a category-killer personal care product. How we sold three million lightbulbs, by being where people flocked with a message that attracted them. And how we resurrected a classic board game by making a major world city its playing field.

Second, it will change the way you do business. Engaging a community goes far beyond advertising products. They will become part of your organization, and you will become part of their lives. Whether it is as direct as the toy company whose customers design their next product kits, or as virtual as the party we hosted for one client in the digital world of Second Life, we are moving from product marketing to true brand communities.

Third, and perhaps most important, it will remove the very high wall that too often exists between your marketing and your brand image. Decades ago, companies could create marketing images of smiling, happy customers, while in the real world word traveled slowly about their poor products or services. Today you are one blog post away from having consumers flee from you in unison, and your humblest customer is now as powerful as your entire marketing department. But if you build a strong

brand – and, more important, a strong brand community – people will flock toward you and even forgive your mistakes.

All of these things spring from a digital social movement that is fresh and new, yet truly takes us back to our roots. According to some researchers, today’s social networks have a lot in common with the Chinese social customs of Guanxi from thousands of years ago, as well as the much longer history of the animal kingdom. There is now much more in common between your MySpace page and the old village square than most of us realize.<sup>1</sup>

This trend is also a logical extension of our own history at DDB. Even in our early days in the 1950s, we talked about creating dialogue with our customers, and our late cofounder Bill Bernbach used to say that “finding out what to say is the beginning of the communication process.” Today, our own globally linked enterprise has its roots in the multidisciplinary creative teams we pioneered generations ago. So functioning in a linked social community is not just a great marketing technique, but also an extension of something that has long been a way of life for us.

This idea has now taken a life of its own. Today people are talking about communities throughout the advertising industry blogosphere, and a recent Forrester Research report now predicts an era of connected agencies that evolve from “orchestrating campaigns to facilitating conversations.”<sup>2</sup> More important, the emergent creative behavior of this entire industry shows that we have already started moving toward engaging people at a community level, long before we started calling it that.

The dialogue we are having now is reminiscent of my earlier work in promoting and measuring the concept of brand value: It was something

**1 Hammond, Scott C. and Glenn, Lowell M., “The ancient practice of Chinese social networking: Guanxi and social network theory,” E:CO Special Double Issue, Vol. 6, No. 1–2, 2004, pp. 24–31.**

**2 Kemp, Mary Beth and Kim, Peter, “The Connected Agency,” Forrester Research report, Feb. 8, 2008.**

few people thought about many years ago, but is now central to the corporate balance sheet. In much the same way, I feel that engaging communities is destined to become one of the basic foundational concepts for the future of brands and marketing.

This book will show you how today's digital connectivity is kicking our natural evolutionary trends into overdrive, and examine how this will affect you and your brand. First, we look at the nature of digital communities and its roots in both animal behavior and social networking. Next, we look at how these emerging communities are changing marketing as we know it: how we are entering an age of reference, not deference, and how speed is becoming the new "big."

From there we will get to the heart of how you put these ideas to work. We explore what I feel are the three core competencies of engaging communities – conviction, collaboration, and creativity – as well as how you create the "nectar" that gets them to flock toward you. Finally, we look at how these trends will change your organization from one that sells products and services to one that truly engages your brand community, in a framework of dialogue and co-creation.

Advertising is far from dead. In fact, the kind of advertising we did half a century ago is still alive, well, and flourishing. And the energy and innovation of this field in recent years have been very exciting, as we branch out further online and deeper into the minds of our customers. But we now are entering an era that is changing the foundations of marketing – one that is fueled by technology, yet literally and figuratively based on how people have behaved for centuries.

Chuck Brymer  
October 2008



## The Power of One and the Power of Many

**W**hat makes people suddenly start flocking to Canada in the middle of winter?

In early 2007, the world became transfixed by the story of Knut, a polar bear cub who was rejected by its mother after being born in captivity at the Berlin Zoo. As he survived and grew under the care of humans, he became an international celebrity, spawning books, record crowds of visitors, and even an animated movie deal.

One of these visitors was the head of the Canadian Tourism Commission (CTC) in Germany, who presented Knut with a bright red ball with its logo. Pictures of the cub playing with it were beamed around the world in major media outlets, and then these cute images spread throughout the blogosphere. Soon afterward, the Berlin Zoo and CTC hosted a contest to send one lucky winner to Manitoba to see polar bears in their natural habitat.

The result? A bright red ball and a cute cub led very quickly to a 20 percent increase in polar bear tourism to Canada. People from Germany, Japan, and elsewhere in the world suddenly started flocking to one of the coldest places on Earth for their vacation.

This type of marketing – employing people as the viral connectors to their digital communities – is having a profound impact on how we look at marketing.



**Knut the polar bear cub plays with a present from the Canadian Tourism Commission at the Berlin Zoo.**

Reproduced with permission from Canadian Tourism Commission and Berlin Zoo.

Fueled by the power of social networks and media, humans are re-establishing themselves as the ultimate communicators, spreading the word across the globe at unprecedented speed. In the process, we have moved closer to the predictable behavior of other systems in nature including animal swarms.

2 These new human swarms represent an evolutionary next step in marketing behavior; we are progressing from a herd of individual consumers to a living, breathing organism that acts as one. It takes many of the trends of the past few years like viral marketing, social networks, and influencers, and puts them in their proper context as a broader force of nature.

A flock of birds, for example, does not practice viral marketing because no bird talks to another. Fans at a crowded sports stadium doing the “wave” are not practicing influencer marketing because there is no leader. Any one fan can set the entire crowd in motion. But they are tightly linked social networks that respond to the power of one. Now, so are we.



## The birth of the global digital community

Communities are very predictable at a social level. We can even simulate much of their behavior mathematically. They are composed of independent human beings, yet react to what happens in their environment – and, more important, each other – as a source of collective intelligence.

For example, picture a group of 1200 or so volunteers. Most of them do not know or talk to each other. No one pays them or tells them what to do. But they too follow simple rules, without a leader, and in the process create much of the content of Wikipedia, the online encyclopedia that has become one of the ten most visited sites on the Internet. These volunteer editors oversee a stream of over 200,000 edits per day to a resource that can tell you anything from real-time current events to who sang lead for an obscure 1960s rock group. They are part of a community that is as real as any social group that ever existed, even though they have never met.

Now, think about what happened the last time you purchased something. Did the message of an advertiser drive that decision? Or, did the voice of an online community such as consumer ratings on Amazon.com or blogs hold more sway? Did a social network such as MySpace combine with influential peers to influence what your teenage daughter listens to or what your son in college wears? More important, did your own experiences become part of the dialogue itself? If so, you are now behaving predictably as part of a larger community. In the process, you have joined one of the biggest sociological transformations of the past century.

This is not a technological revolution, but rather a social one. Technology is a commodity now. Once upon a time, things like lightbulbs and telephones were competitive advantages, and today they aren't. The same will be true about things like social networking, blogs, and the Internet.

What is truly revolutionary is that we now think differently.

This social movement, not even a decade old, has dramatically changed the way we do business. We now live in a world where what people say about you on YouTube or Amazon.com can influence an entire population perhaps more than any agency now can, and an amazingly consistent “groupthink” about brands and products can form – or change – in a flash. This change is driven by forces that link the voices of businessmen in Bangladesh, farmers in Iowa, and homemakers in Seoul with the dialogue between people and the brands they use.

Here at DDB, we have a view of how human beings are becoming more and more connected, particularly when it comes to their brand awareness and purchasing behavior. If you are not in the advertising business, you may not recognize our name. But most of you are aware of our handiwork. When McDonald’s says “I’m lovin’ it,” a young man drinking Bud Light yells “Whassup!” into the phone, or State Farm talks about being “like a good neighbor,” you know us.

Now, here is what we know. The relationship between people and brands has undergone a fundamental shift as we have entered the second millennium. It is enabled by digital technology and a global community. But it perhaps can best be explained in the same terms as a swarm of bees or teenagers at a high school dance.

In the past, we generally used “herd” marketing techniques. We used the mass media to approach people as they sat in front of their television sets – or surfed the Internet – and pushed messages at them, hoping that a certain percentage of them would buy what we were selling. Or, more importantly, we hoped to create a brand identity that would lead enough herd members to remember us for all of their buying decisions, long after they saw our last advertisement. It was a one-to-many monologue between a product and its consumers, and we measured its success in terms of variables such as brand awareness and market penetration.

Today, we are marketing to a swarm that shares information within itself, moves in an instant, and takes direction from no one. Its members are connected to you and each other as a single living, breathing organism with digital information running through its veins. As people follow the rhythm of these social networks, we are slowly but steadily losing some of our influence on them as individuals, because we are competing with what the swarm itself tells them. At the same time, the power and potential to influence people as entire communities is making a dramatic change in the way we do marketing.

### **Saving the Earth – and selling three million light bulbs**

On July 7, 2007, the Live Earth benefit concert event took place in cities around the world, with top musical acts performing on every continent to draw attention to the problems of global climate change.

At the same time, Live Earth was much more than a live concert event: It also became an instant community on the Internet, where nearly 15 million people watched live streams of the performances while simultaneously being challenged to look at their own personal contributions to the Earth's climate. By the end of the event, nearly half a million of them had made commitments online to make specific changes in their own personal lives to reduce the production of greenhouse gases.

Many of these commitments came from a challenge posted on the Live Earth website by sponsor Royal Philips Electronics of the Netherlands, linking people to a screen calculating the CO<sub>2</sub> and energy savings impact of changing to Philips compact fluorescent lightbulbs – and then

expanding that to what would happen if ten of their friends joined in, and urging them to invite these friends online. The net result was commitments to purchase over three million lightbulbs, with a net savings of close to a billion kilograms of carbon dioxide.

Today Philips' "A Simple Switch" website ([www.asimpleswitch.com/global](http://www.asimpleswitch.com/global)) invites people from all walks of life to make similar choices in lighting. According to the company,

Consumer insight recognizes that individuals understand the effects of climate change and want to protect the environment as well as improving their quality of life. However, they do not want to compromise one for the other, and see lighting as a feasible way of using less energy without restricting quality of life.

Today, long after the Live Earth event, this concept of collective individual choices still drives the growth of their compact fluorescent lightbulbs.

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Now, suppose you were setting out to make a herd save a billion kilograms of greenhouse gases and purchase three million lightbulbs. How much advertising would you need? How many impressions would each person need to see? Above all, would even the best advertising in the world start a movement flocking in your direction? By flying alongside this gathering crowd and attracting them, Philips became part of a cause and at the same time part of a market.

While even the most successful marketing efforts in the past may have improved sales metrics or won a big award, successful marketing today must become part of a collaborative online consciousness. For example,

a recent television spot of ours was downloaded by over a million people from viral video sites – sites that are not controlled by us or any paid promotional entity. As we will see shortly, these human connections hold the power to drive fundamental shifts in consumer preferences, brand identity, and ultimately sales and profitability.

We are not the only ones noticing this change. A recent report from PricewaterhouseCoopers starts by stating, “One consumer voice can morph into a community in minutes,” and makes the case that the speed and scale of consumer conversations are now often market-changing.<sup>1</sup> Around the same time, Forrester Research examined the current state of marketing and concluded, as I do, that we must shift from creating messages to nurturing connections with consumers.<sup>2</sup>

The simple premise of this thinking is that we are experiencing an unprecedented human transformation from a herd of individuals to a linked community, and those who succeed in the future must learn to influence this community instead of just selling to members of the herd. It is a time of challenge and change for followers of traditional marketing approaches. At the same time, it represents a fantastic opportunity to have people flock toward your products and services, driven by the energy of the swarm itself.

## The anatomy of a swarm

We often think of an individual person as having limited influence. Put a million or so of them together, though, and soon we all create complex social colonies, quickly learning – as a *group* – to optimize our survival and functioning. All by having a leaderless group of agents follow simple rules that range from seeking food to checking our e-mail.

Herds are also homogenous groups that share similar characteristics, but are programmed to meet *individual* goals. Picture a herd of cattle in a field. They have a great deal in common: They all graze, swish their

tails, and go “moo.” They inhabit the same place and live similar lives. But if you go up to one of these cows and pat it on the nose, feed it, or even jump on its back, nothing changes in the rest of the herd. You have a one-on-one relationship with each member of the herd. Indeed, the popular image of the cowboy revolves around a job description of reining in individual members of a herd of cattle, lasso in hand.

Now, let’s replace cows with bees. Suddenly, you are no longer dealing with each bee. You are dealing with an interconnected social organism that behaves as one. No one talks of “herding” bees. You cannot make any individual bee do anything. You can only influence the entire swarm, just like when you walk toward a field of birds and watch them take flight in unison.

Swarms of humans in the marketplace have minds of their own as well. For example, how did you plan your last vacation? If you are like many people, you research your destination through online resources on the Internet. You shop for the lowest airfare on an interactive travel site, as airlines adjust their fares in real time based on the demand cycle you are now part of. You compare hotel ratings on consumer travel websites, and then after the trip you share your experience by posting your own thoughts. In other words, you follow simple rules of your own, interacting with a living environment of people and businesses who are, in turn, reacting to you. Trying to influence you as an individual against this wealth of constantly evolving knowledge would be like trying to drink from a fire hose.

Even as recently as the late twentieth century, you approached the same process very differently. You saw a nice ad on television, or looked at brochures at a travel agency, and made your purchase. You were part of many one-to-one transactions that went no further than you, your television, your immediate community, and the brand images of the airlines, hotels, and destinations you chose. You had no way of knowing