Customer first thinking.

Brand Advocacy

An Interview with Jay Baer, President of Convince and Convert

Jay Baer:

Jay Baer is the President of the marketing consultancy Convince and Convert and a popular speaker and author on the subject of customer experience and digital transformation.

Look over the shoulder of any digital native using their phone these days and as a marketer you can't help but be alarmed. There they are, earbuds firmly implanted, eyes glued to their screen, scrolling, tapping, swiping, all at a frenetic pace, messaging their friends, checking their newsfeeds, sharing their pictures, maybe even watching a short-form video or playing a game, lost in their own mobile world.

Now just think of the chasm between the media usage of that person and the way most performance marketing campaigns work, jamming digital ads in between all of that manic thumbing. Good luck with that.

Which is why marketing as a discipline is going through an identity crisis. Just about every marketer is schooled in the practice of sandwich board tactics, shouting out at passing traffic. Marketing has always had one job that takes precedence over everything else: to drive growth. And that means moving products off shelves. But

people's buying behaviour has changed so radically – due to price transparency, instant access to information, lack of brand trust, endless distractions, shrunken attention spans, ad avoidance and more - that even CEOs realize their marketing methods are obsolete. This past year some notable global brands have actually "ditched the CMO title" in favour of Chief Growth Officer or Chief Experience Officer, leading to speculation that marketing is on a path to extinction.

There is no doubt the marketing battleground has shifted from winning "share of mind" to "share of heart", not by pandering to people, but by creating a distinctive, friction-free, "sharable" customer experience that makes them go "Wow!". But often businesses struggle to satisfy even the minimal expectations of customers. To fix what's wrong takes a willingness to invest in the future, with payback measured in years. And as long as the CMO position remains a revolving door, there is never any continuity. Taking time to climb the NPS ladder – by making life easier, convenient and more enjoyable for customers - will never soothe impatient investors. That's why maximizing growth is always the top corporate priority, making customer experience a secondary concern.

Jay Baer has an answer to this paradox, something he calls "talk triggers". In fact, he's written a book about it, full of case studies of how companies achieved fame by taking simple steps to generate "word of mouth" through the creation of unique experiences. Another book he wrote called "Youtility" argues that companies can only win attention these days by asking: "How can we help?". And his latest book "Hug Your Haters" shows how to turn customer complaints into opportunity.

A key practice area in Jay's consulting business is helping brands design signature experiences that can lift them above the "sea of sameness". I started by asking Jay if brand advocacy is the best and easiest pathway to growth.

Jay Baer (JB): I think it's similar the way I would get it and my co-author, Daniel Lemin, is that the best way to grow any business or organization and for the customers or members of that organization to do the growing for you. That we are at a unique inflection point now where we trust each other perhaps more than ever, and we trust businesses and organizations perhaps less than ever. So, if you can encourage or cajole or convince your customers to go out of their way to tell other people about you, that truly is the best and highest form of marketing, and, actually, this has always been so, right? It's been true since caveman days. It's just along the way, we kind of got seduced by the siren song of advertising and algorithms, and I think now we're starting to see the pendulum swing back the other way because the grass ain't always as green as it appears to be.

Stephen Shaw (SS): Right. What would be, in that book, the best example to bring this to life a little bit of a company that really leveraged word of mouth and advocacy to promote itself? And I know that in one of your recent podcasts on "Talk Triggers," your reference this burger chain that succeeded in doing this. Maybe you could use that as a reference point.

I think the example that I like the best because we have real data on it is DoubleTree hotels. And as you may know from the book, DoubleTree has been giving out a warm chocolate chip cookie upon check-in to every guest in every hotel worldwide now, and they've been doing it for 30 years. That's quite a commitment to the craft. They do 75,000 cookies a day, every day. And, again, when I did a comprehensive research survey of DoubleTree customers before we wrote the book, and we found that 34% of them have told a story to somebody else about that cookie. So, if you do the math on that, what that means, Steve, is that today and tomorrow, every day, frankly, 22,500 stories a day are told about this chocolate chip cookie. Now, the companion question is, when is the last time you saw a DoubleTree ad? Not very much, right? They really don't advertise much at all because the cookie is the ad, and the guests are the sales and marketing department, at least at some level. And so, you know, they've been making it happen for 30 years, which, you know, certainly demonstrates that sometimes you can have a talk trigger with real staying power.

I guess the reverse is true too though, right? If you don't have a positive talk trigger, you could have a negative talk trigger, and the social media amplification works as much against you as it might for you if, in fact, you don't have a positive story or message to tell.

Absolutely. No question. And you see that all the time, although typically, sort of, negative talk triggers don't have a ton of staying power because if the negative talk trigger is so obvious that lots of customers talk about it, either you have to fix it or you're out of it, right? I mean, that just becomes an existential question. So, there are times when that occurs, but usually, you've got a bigger problem than word of mouth if everybody is saying you have the exact same problem.

Well, and I guess with the example of DoubleTree, there has also has to be a sort of a minimum quality of experience, otherwise people wouldn't stay there. That's your real value prop, right?

That's it. That's it. So, everybody has to have sort of minimum viable quality. But here's the big issue, and this is kind of why we wrote the book and why we talk about this all the time. Somewhere along the line, business has convinced itself that competency creates conversation. I think it's all the focus on customer experience, which, you know, is not misplaced, but this idea that if you just run a good organization, and you sort of focus on the details and are operationally sound, that that will kind of lead to word of mouth. But that's not really the way people behave. Competency keeps your customers, right? Competency is a churn reduction circumstance. But we don't necessarily tell stories about competency because we expect competency. We tell stories about things we don't expect in competency especially now when consumers expect more than ever. It's sort of an assumed piece of the circumstance. I'll give you an example. There are a couple of restaurant examples in the book and a few more that I'm aware of, of restaurants that do a great job of talk triggers, but almost no restaurant, I mean, there are a few, but very few, can actually create word of mouth around food quality because lots of restaurants have really good food, right? And so, if somebody asks you, "How was the food?" Like, yeah, it was pretty good. It was really good, you know, that's not a

story. People aren't shocked and awed by that - there's no pass along value there. So, unless you are at a very, very high level, right, you are El Bulli or somebody, you know, you're in that top, you know, world's 50 greatest restaurants list. And, you know, if you're two Michelin stars, if you're in that ballpark, sure, you can use competency as a talk trigger. But the overwhelming majority of restaurants can't, right? So, if they want to use a word of mouth strategy, and they should, because it's the cheapest way to get customers, they need to create an experience that people don't expect. And there's a bunch of examples of that in the book.

SS Is word of mouth an awareness-building technique, or is it something else? Is it a way to build advocates? What does word of mouth really get you in the end other than this viral messaging?

JB Yeah. Awareness for sure, right? And that has a tremendous amount of value. You think about how many hundreds of billions of dollars, and that's not an exaggeration, is spent globally on creating awareness for businesses and organization. It's hundreds of billions of dollars. So, if I can say to you, "Hey, how about you do that for free or next to free?" that's probably a value position, value principle that's worth paying attention to. Now, there are circumstances where word of mouth recommendation, referral from a friend actually works deeper in the funnel. So, if you are already aware of the business in question, but then your friend tells you a story about their experience with it, you're already aware, so you already sort of, you know, passed the first stage, but now you have that ratification of like, "Oh, well, Steve really liked it. That's cool. So, now I'm gonna maybe skip the line, and maybe make a purchase." Those kinds of things. So, it depends on whether you're already familiar with the business, but generally speaking, we would say that it operates at the top of the funnel.

SS And the genesis of a talk trigger, as you put it, for an organization, is that what's unique about the value proposition? Or in the case of your DoubleTree example, it's a free item that's handed out which is hard to believe that that in and of itself would generate so much talk, but nonetheless, what's unique about the value proposition? Or is it something other than that?

JB Usually something other than that because a value proposition or a USP is usually a bullet point, right? We are X compared to our competitors. We are faster, we are cheaper, we are nicer, we are kinder, whatever. And that doesn't mean it isn't worth doing it, but typically, USPs strike somewhere on that competency scale, right? It's about we are incrementally more competent than the competition at something. And that's okay. But a talk trigger isn't a bullet point, a talk trigger is a story, right? A talk trigger is an experience. In fact, the data show that 81% of word of mouth is triggered by some sort of an experience, right? It's something that happens. It's not just something that is right there in front of you. And so, when you get a cookie that you didn't expect or any of the other types of talk triggers that we document in the book and beyond, it breaks your expected pattern. And because it breaks your expected pattern, it becomes a story that you feel compelled to tell somebody else about. So, the way we define it on stage is that a talk trigger is an unexpected operational choice that's designed to create conversations. And the key part of that, Steve, is that it's an operational choice, like, we say word of mouth marketing all the time, but it's not really marketing, not in the classic sense, right? It's not a price, or a promotion, or a contest, or a coupon, or a campaign. It's something that you do differently in your customer experience that your customers then notice and talk about. Which is why when we do this kind of consulting work, it's so critical that we have everybody around the table, right? And usually, we get brought in by marketing, but we have to have ops there. We have to have sales there, we have to have finance there, we have to have HR there, like, everybody's got to be part of it because it really is an operational construct, not just a market team, you know, let's rent an elephant.

SS That's interesting. So, part of your role as the consultancies have come in and help facilitate discovery of a story, does that mean inventing something new or does that mean looking at what they're doing and saying, "Ah, that is something that's unique for you guys"?

JB Both. Yeah, both. So, we're working with an association right now on a talk trigger strategy, and we use, you know,

fundamentally the same systems that we talked about in the book. We do a ton of research. So, we interview lots of customers and potential customers and lost customers, and then we look for existing chatter about the company or the organization, right? So, you know, what do people notice today? If anything. In some cases, that answer is zero, but in this case, it turns out that this association already has a reputation for being very personalized, and very warm, and friendly, and relevant. And so, in this particular circumstance, our responsibility is to take what they already have in their DNA, what is already bubbling up amongst their membership, and then just putting a finer point on it. So, how do we craft it so that it is an experience that is repeatable? And being repeatable is one of the key principles of talk triggers, systematizing and operationalizing this kind of thing so that every member gets access to it, so that every member can become a volunteer marketer as we call it. So, in this case, we had sort of seeds, and now it's just sort of tending the orchard. In other cases, there really aren't any seeds, and so we have to come up with a talk trigger that not only feels culturally appropriate for that organization but one that they can actually execute on. Sometimes they have to do it from scratch, and sometimes we're really sculpting clay that already exists like we are in this one.

SS In those exercises, do you occasionally come up empty and don't have a trigger that you've derived from some of those conversations?

JB In terms of what they have today, sure. You know, we never come up empty in terms of what's possible because that's what we do, right? So, we take the research, and we say... The way it works is we have a detailed customer journey map, so we know all the different key inflection points between the company and its customers. And then once we interview a bunch of customers, then we get a sense for what they expect at each of those.

SS That's interesting.

JB So, what we actually do in the research is we'll say to a customer, "Hey, when you got a proposal, what did you expect? What happened? Like, tell me about how that happened, and what you expected, what you remember." And then we just shut up and let them talk. And when you

do that, when you take a customer journey map and then overlay it with customer expectations, what you end up with is a sequence expectation map. We use that expectation map, then apply the key principles of talk triggers to come up with potential experiences at different inflection points that we know will be unexpected. Because once you to know what people expect, you by definition know what they don't expect, and the gold in the river, the talk trigger, always must lie in the places where they don't expect it, because if they expect it, then they don't talk about as much.

SS Right. Those are the so-called moments of truth, I imagine, that you're focusing on, not just to get those right, but to make it special.

JB Yeah. We don't use that terminology. We don't think that that's quite the best way to describe it, but yeah, in popular parlance, it's basically the thing.

SS And so you're using CJM processes to uncover some of this, as I understand it, you're using in-depth interviews, obviously, to provide substance behind that. It's interesting because that's the same path that a company that's brought in to fix a customer experience would take. You must yield as much, not quite as much, but you must yield a fair amount of pain points through that exercise. Do you take it on as part of your role there too to bring that to the surface and explain, "Well, guys, you've actually got to get this right before that talk trigger is going to work"?

JB Sure. Unofficially, absolutely, right? We're not setting out to deal with customer experience audit and looking for peccadilloes, but there's no question that when something surfaces because we do a fair amount of CX work too, we'll say, "Hey, you know, by the way, we've discovered that here's some talk trigger ideas, but we probably had to fix these sort of holes in the boat as well."

SS Yeah. Yeah. And that takes me to the next question, which is that Forrester does these CX indices across various businesses and categories, and what it's finding is that companies, they call it hitting a CX rut, they call it, which is that they're really plateauing around customer satisfaction or at least around the Forrester index. They say that these companies can't break out of "a sea of sameness." And their point around this though is that because all the underlying

technologies are the same today, one app isn't much different from another. And so, it all seems the same. And yes, it's raised the game for everybody, it's easier to transact, etc., but the fact is that it's really no different from what the other guys are offering. You make the point in your book that a focus on customer experience makes it more difficult to be different, I may be misphrasing that, is the end game now to create a signature experience?

JB I would say an experience that becomes identifiable with your organization. I would maybe shy away from signature because it's so close to singular, and, you know, for an example, one of the case studies in the book is The Cheesecake Factory, right? The Cheesecake Factory has an enormous menu. They make all the foods, they make everything, seemingly. That is their talk trigger, and we've measured it and tested it extensively. It's actually a meme. There's tweets about it literally every single day. Other restaurants can, and do have enormous menus, right? So, they are not the only ones. They are the only sort of large chain to do a menu of that size, which is why it's so surprising to get patrons, but they're not the only one. So, what we want is to develop an operational element and experience that becomes really part of how you do business. If it becomes something that other competitors who are very close to you in your category also have, then it loses power for everybody. One of the examples we use a lot is, you may remember, I don't know how many years ago it was now, I probably should look it up, it's probably, oh, jeez, 8 or 10 years ago. Westin Hotels came out with what they called the "Heavenly Bed," and the idea was that Westin was gonna be the best night sleep you can get, right? So this bed is amazing. This mattress is, like, made by angels, super nice pillows, and sheets, and comforters, and the whole thing. It's like, look, it's a hotel, sleeping is a big part of the experience here. So, we're gonna give you the best sleep by having you the comfortest bed. Good idea. Excellent talk trigger, prototype talk trigger, like, right down the alley, perfect idea, better experience, blah, blah, blah. Well, it was such a good idea though, that within about 10 minutes Marriott is like, "No, bro, we have a comfy bed, too," and Hyatt is like, "No, no, we partnered with Sleep Number, now we have a comfy adjustable bed," right? So, everybody jumped on this same thing because they didn't want them to run away with it. And now nobody can claim that, right? Now, it's a talk trigger for nobody. Nobody is allowed to sort of make that happen because everybody jumped in, and that happens on a...it doesn't happen a lot, but it happens on occasion. There's a couple of ways that a talk trigger will have to be changed or discontinued. One is if your competition mimics it and the second is if the world changes around you. So, you may remember that Enterprise Rent-A-Car had famously a talk trigger which was, "We'll pick you up" for many, many, many, many, many years. They're the only ones that do it. Avis won't pick you up, Hertz won't pick you up. Budget won't pick you up, nobody will pick you up. They'll pick you up, drop you off, bring you the car, the whole deal. That was a great talk trigger, again, you know, perfect execution of what we're talking about here. It's an experience that they own. People didn't expect that. They talked about it. Great one, had it for 20 years, until Uber. So, now I can press a button on my phone, and I can get anybody to pick me up at any time, like, why do I need like the weird rental car kid to pick me up? Like, that's bizarre, I don't need that. And so, they had to change it, and now they don't talk about that much anymore because it's no longer noteworthy. So, sometimes that happens too, right? The world changes, customer expectations change, etc., but that's why when we go through the actual strategy process, we always identify more than one potential trigger, and we always test talk triggers before we operationalize them. So, we segment the audience, and we do a control group plus a group that has access to the trigger. We measure the talkability of each, and then if we hit certain thresholds, then we know it's talkable enough, and we roll it out to the whole enterprise. But we always keep some other ideas in reserve in case the competition matches it, we get sick of it, something else happens. We got to go back to the drawing board. We always have a drawing board.

SS It's interesting because we're just talking now to a QSR here in Toronto – they're in the pizza business. And had a conversation the other day with the head of loyalty and digital marketing there, and I asked her who her toughest competition was because, you know, obviously, that business, lots of competition these days, and she said Uber Eats, which is interesting.

JB Yeah. Of course.

SS And opens up people's...

JB Yeah, which never would have been the answer before.

SS No, no. They would have thought the pizza operation down the street is their competition, even, you know, other types of QSRs, so it's an interesting reveal. But go back to this point about differentiation, and being unique, and so on. I guess today with technology the way it is, I just wonder if differentiation even the goal can be anymore for some of the reasons you were describing, mimicking of what you're doing, and yeah, might set your apart a little. You might buy some time and some market share, but look at the pivot Apple has just taken, you know, how different really is the iPhone today? And so, we live in this world of infinite choice. It seems the tiebreaker today more is, and you alluded to this a bit earlier in our conversation, is who I really trust. And that's a tougher achievement, isn't it? Like, that is consistent and above average performance over time. So, I look at a good example that is probably of the USAA in the States, which is, you know, year after year top the Net Promoter Score in terms of the financial services category. They know their customers so well. They have figured out how to win their trust over time.

JB It's a heck of a lot easier to give your customers a story to tell, than to make your company trusted because your customers are already trusted by one another. So, just change the messenger. Don't worry about changing the message, just change the messenger. Everybody knows that word of mouth is important, but nobody has an actual strategy for it. Fewer than 1% of all companies have actually defined word of mouth strategy, which is crazy, right? And you think about, okay, word of mouth is so impactful in every industry? Nobody is gonna argue that point. Word of mouth has been around since cavemen, and yet here we are at 2019, and fewer than 1% have an actual strategy. It's really hard to fathom, right? It's like we just assume that if we're competent, that customers will tell that story, and that therefore, you know, all of them. But didn't really, you know... We need to do more than that. We have to start doing word of mouth on purpose because right now everybody is doing word of mouth on accident and it's too important to leave it to chance.

SS Well, we're gonna talk about this a little bit later on. Marketing is still operating largely out of reflex, and so money continues, as you were alluding to earlier, being pumped into advertising. Just more of it's going digital. We're gonna talk about that I hope a little bit later on too. I do wanna reference your rather very prescient book, "Youtility," which, as I said, I quite enjoyed, I love this phrase you use in the book that there's only two way companies can break through all of this clutter out there, and that's be amazing or be useful. And this idea of marketing as a service has really taken hold, that marketing job is to deliver value. So, the downside, and I think you talked about this in the book, is, and it's increasingly so, is this glut of content. It's information overload. It's increasingly now an attention deficit. So, is the goal now - and your book was written a number of years ago - is the goal now to be, you know, to use this phrase, "amazingly useful"?

JB Yeah, sure. I would say talkably useful to kind of combine the few views of two different books. You know, useful enough that people actually notice it, which is probably a higher bar to clear than it was when I wrote "Youtility," because many companies have gravitated toward usefulness as at least part of their marketing initiatives. And so, you have to kind of raise the bar a little bit in that regard, and be even more useful, be even more thoughtful and relevant about what your customers, potential customers, ask you, etc. But what's funny is, you know, as the competition gets even more intense, and the ways that, consumers can access information about businesses continue to proliferate, this idea of usefulness as a sort of rallying and a core component of what you're trying to do, I think, is perhaps more relevant and effective than ever.

SS Absolutely, the idea of finding a way to deliver value with every interaction becomes the job of the marketer.

JB Indeed. And what's funny though is that we live in this programmatic, algorithmic environment, right? Which really strikes a chord that is quite opposite from that, and it's like, "Hey, let the robots do the work, and here's my credit card, and they'll figure it out for me." That's not really "Youtility" mindset, right? And so, for a couple of reasons - one is it doesn't necessarily add value, and two, it's by definition, short term thinking. And that's still I think a big

part of the problem, is that utility as the marketing construct is, to some degree talk triggers as well, requires a measure of patience and a time horizon for those initiatives to pay off that some marketers don't have the luxury of enjoying and some marketers just don't operate with that kind of time horizon, right? They need results. Or they want results now, and as opposed to providing value and trust in that some percentage of your customers will reward you down the road, it's just not something they wanna sign on for it.

SS Well, I think you've just put your finger on the exact pain point here, is that marketing is being held accountable for driving products off shelves still, and they are still relying on advertising largely to carry that message. And so, this job of the CMO is either continuing to be chief messenger which largely is, or perhaps storyteller, as you describe it, or it's value creation or value creator. But is the problem really set at the board level? I mean, the board's putting pressure on the CEO to deliver growth. The CMO's job is growth today, so this sort of longer play that you were describing, this investment in the future if you will, not much patience for that, is that that gonna make it very, very hard for marketing to adapt to this new world? The fact that it's being held accountable to these old school metrics, we call it, as opposed to the path that even you, you advocate around, which is, "Hey, you know, use your customers to build word of mouth and advocacy, and the brand will build itself and sales will look after itself." But that seems to be not a message that's easily accepted at the board level.

JB Yeah, I completely agree. One of the reasons why I'm always so enamored when you have truly large companies using "Youtility" and/or "Talk Triggers," in fact, Hilton is a great example. Hilton was featured in both books, right? So, we use Hilton Suggests, their utility-based Twitter program as a key case study in utility, and DoubleTree Hotel's cookies are the key case study and talk triggers. We've done a little bit of work with Hilton in the past. Neither of those programs were created by me or my team, but that I think it's an interesting example of a large organization that is encumbered by some of the, you know, sort of board roles, and, you know, quarterly metrics performance and things along those lines, but yet still can play that longer-term game in terms of customer experience and functioning as a real marketing asset. I think it's admirable.

SS You've been in this business a while, and where you started and where you are today, you've seen a lot of change certainly in terms of how money is spent anyway.

JB Yeah. I mean, I started this business when domain names were free. So, I've seen some change.

SS Well, you've seen the growth of the whole digital business, and you've been, in fact, you know, part of the movement really at the vanguard - your name has been associated with this for a long time. So, now digital marketing, if you will, has moved from sort of the perimeter of planning to the very epicenter. Used to, you know, sort of be looked at curiously by mainstream marketers, now it's become mainstream, we're in a so-called pulse digital world, as they say. But, you know, you consult with a lot of companies, you deal with a lot of marketers. Has marketing changed really very much? I mean, just the fact that they're using now one channel over another more frequently, does that change the mindset or do you see that, you know, the end game is still the same? As we were just talking about, we've got to get more people buying more stuff from us, but are you seeing any kind of significant transformation, if you will, of the marketing mindset and planning processes as a result of that?

JB Well, some, for sure. I mean, the end game is obviously the same, reach more people, buy more stuff. There's no question about that and that, like, will always be the same. But how you get there is definitely a little different. You just look at how money is being shifted from offline to online. Certainly, your ability to target online is so much different than what we can do offline. It's much more of a rifle instead of a shotgun now in a lot of ways, which is both … I think the biggest sort of cultural change is this movement. And there's been a bunch of research on, I think from Bain, but I could be wrong on the sourcing there, that a significant percentage of CMOs are now in charge of CX inside the organization, which I think really portends, I think, good things, right? This idea that I've been talking about now .. I mean, you know, look, I've got six books, and people ask me like, "Hey, how come you've got six books, and what's the theme?" Well, the theme for all of them is that CX is marketing, right? It's different pieces of the story, you know, I just tell it in different ways, but essentially, it's one thesis,

which is how people experience your business in marketing, and what stories people tell about your business is the best marketing you could possibly do. So, this idea that CMOs are gonna sort of run that entire relationship from cradle to grave, I think, is good. It does make me concerned, and I talked about this a lot in my book, "Hug Your Haters," putting the CMO in charge of customer service, which obviously is a significant part of the customer experience story post-purchase. That always makes me a little nervous just because when you've spent your entire career trying to acquire customers, and now you're also in charge of maintaining customers, that's not the same skillset or the same psychology in any way, shape, or form. So, that's where I get a little nervous as CMOs are in charge of customer service, not that it can't be done, but I don't know that that's an ideal state, but this idea that more and more businesses, and all sizes and levels, and we see it every day in our consulting firm, are starting to think about customer relationships holistically instead of as they can, a series of campaigns. I think that's ultimately good news. But I think it's still early days, people are trying to get their arms around this, and what's challenging, as you pointed out a minute ago, you get it kind of figured out and you've got a good team of people, and a good philosophy, and we're thinking about CX and marketing holistically, and dah, dah, dah, dah, and they were doing some utility stuff, whatever. And then the CMO changes, right? And then it's like, "Oh, shit, now we got to start over again." We got different people, different agencies involved, and, you know, we're unscrambling omelets a lot because of the nature of, I think, personnel turnover in marketing departments. It's so heavy that it messes it up.

SS But you've raised a really interesting point here, and that is... who owns the experience? Which is, well, you make a good point about one being more operational in nature and one being more about how we tell the story of our organization. But it has to ladder up to something, right? It has to ladder to what that... What that company stands for, which is what the brand should be all about. And if the brand is consistent, then whatever CMO comes into place inherits that positioning and is obliged, presumably, to connect the values of that brand to how the business operates. Isn't the core problem here the fact that brand doesn't stand for anything?

JB I don't know that I would say that the issue is the brand doesn't stand for anything. I think, in my experience, it is very common for the C-suite CMO, chief customer experience officer, if there is such a thing, CEO, COO, to want to put their own interpretation on the brand. And that doesn't necessarily mean fundamental values change, but how that brand is experienced in the marketplace tends to change, and the same reason why CMO always wants to hire their own agencies, right? Because they got the guys that they're comfortable with. And I see it a lot that the brand doesn't necessarily live past its existing proponents, and that can cause confusion amongst the customers as well.

SS Yeah. I mean, yes, of course. Absolutely. But the phenomenon that I think you were talking about earlier is this revolving CMOS every two or three years. And he comes in with his own ideas, as you put it, about what the brand should be, but isn't the whole point of this that the brands should capture the essence of the value that that... or why the brand is important to people's lives? And if it's important one day, it's not unimportant another day.

JB Agreed. Absolutely. And that's one of the things that's important about talk triggers, and one of the four R's that we talk about is that it has to be relevant, right? The talk trigger that doesn't make sense contextually, typically doesn't work very well. You know, this isn't just sort of a PR stunt, it has to be congruent to the customers, right? So, if you go back to the DoubleTree cookie idea, I think it's 14 is the number, but don't quote me on that, but I think it's 14 different brands in the Hilton portfolio now. Different... you know, you've got the Conrad, you got the regular Hilton, you got DoubleTree, you got Hilton Garden Inn, you got whatever, lots of them. They each have their own brand positioning, of course, because they want to avoid as much as possible competing for the same traveler. That's pretty inefficient from a corporate standpoint. So, they're all trying to kind of play their own game. Hilton's brand, according to their CMO who we interviewed for the book, is the warm welcome. That's their thing. They want to own that seven or eight minutes from when you set foot in the hotel until you set foot in your room. They want to be really good at that, and consequently, they put more time, money, effort into lobby design than most hotels at that price point. And they put more time, money, effort into front desk

clerk training than most hotels at that price point. And the cookies ceremony is a big part of that because it's not just the pile of cookies on the counter, they have an oven in every hotel, and they take a cookie out of the oven, put it in a bag, and then hand it to you. It has to be hand to hand path, that's brand standard. So, the brand positioning is the warm welcome, you get a warm chocolate chip cookie. It all makes sense, right? If it was brand positioning is the warm welcome, and you get like a rabbit to pet for the three days that you're there or something like...that would be talkable, but it would be so weird and incongruous that they would probably raise more questions than it answers. So, I completely agree that, you know, making the brand feel consistent enough and evocative enough in all channels that it doesn't matter who the CMO is, is absolutely a great goal. Unfortunate, it's not always the case though.

SS You know, but it also speaks to this other issue, is that the surveys certainly that I've seen is that, you know, frankly, if most brands disappeared, no one would miss them. And the true test of a great brand is if you would miss it if it's something taken out of your life, and a lot of people when you ask that question, for example, will say, "Oh, I love Netflix, and I can't live without Netflix." Well, we're seeing and starting to have more streaming services, and yeah, maybe you could.

JB So, I said the other way, we used to say, "I love cable television. I can't live without it. "

SS Although it's still hard to imagine living without Google. Yeah. Well, it's still hard to imagine living without Google today. I'm gonna switch gears a little bit, and I want to take this even further afield if you don't mind, and that's what's going on in China today, which is quite fascinating. People, you know, they leapfrogged the PC era and went right to phones, and people there spend I think I read the other day twice as much on their phones as North Americans do. And it's interesting marketing has been forced or taking the lead, whatever viewpoint you want, but the fact is that marketing is practiced very differently in China. You've got sort of the whole BAT thing going on where, you know, these massive platforms are creating opportunities for engagement, and engagement across multiple platforms. When you look at China, what's going on there, do you see the future of

marketing or do you look at something that's quite unique to that society, and because we have such a channel mindset here would be an impossibility in North America or Europe even?

JB From an interoperability perspective, I think it's absolutely the future, and Facebook, for their part, is absolutely headed that direction. I wrote about this recently that the one company that Facebook wishes it was is WeChat because WeChat controls everything, they do it all. All the things that Facebook does, plus Amazon, plus Twitter, is all one company in one app, and it makes things much more seamless because you can use that one mobile-based system for really everything in your life, which is a little scary on one hand, but from a consumer standpoint is actually pretty damn convenient. So, I think that is absolutely in the offing here. The one area where I'm just not sure what the future holds is whether we will, in any reasonable amount of time, become as mobile device-oriented as we see there. And that does change kind of how the customer experience is handled. You know, if we were in a world in the U.S. where very few people had laptops, that's one thing, and certainly, China, and even more so I would say Korea, are already living in that world. I'm just not sure whether we're gonna get there, where the people are gonna say, you know what? It's not from a content consumption standpoint, it's a content creation standpoint, right? Like, there's so much making stuff, right, around here that I just don't know if people are saying, "I'm just gonna do everything on my phone." Maybe. Maybe eventually. I mean, I think about it generationally, like my son made perhaps the unwise decision to catch up on "Game of Thrones." He'd never seen "Game of Thrones." He's 17, and he decided to, like, catch up, and I'm like, "Hey, you must not have very hard classes here. You're in your senior year in high school, if you have the amount of time, to watch 77 hours of television or whatever it is to catch up to the current season." And then he definitely has senior eyes, he graduates in three weeks. So I'm like, whatever. So, all right. We have, like, a 75-inch television in my basement, right? It is like Super Rad. He is watching 77 hours of HBO on his phone.

SS Crazy.

JB By choice. And I'm like, "Okay, you realize that we have a television down there that's like the price of a car, and

you're watching an action show on your telephone." And what he said to me was fascinating. He said, "Well, Dad, if I just hold the phone close to my face, it's bigger than the screen down there."

SS Yeah. But he's got to hold it. That's the problem.

JB Yeah. I guess he's young and athletic. But, you know, that is amazing to me. You have to take my laptop out of my cold dead hands, right? Like there's no way, right? And I've tried it, like, I've done a couple of business trips where I'm like, "Hey, I'm not gonna bring my laptop, I'm just gonna bring, like, my phone and an external keyboard or whatever." And I'm like, "Screw that. It sucks." Like, it's just not...I mean, I type a lot because, you know, I'm still part of the email generation and what have you.. I can't do it. No way. But you think about, you know, fast forward 10 years maybe, maybe that's where we head, I don't know.

SS Well, I just... Yeah, and I think in China, the phones are a utility. I mean, it's used for payments, right? It's just...

JB Literally everything.

SS Yeah. You can't live without one, frankly, there. But I think the other interesting aspect of this to me was that they're not spending money on advertising. They're spending money on creating these cross-platform experiences. And there's article in the Harvard Business Review this past month that focuses on the practice of marketing in China. One of the fascinating takeaways is that marketing is, you know, through our perspective, completely reinvented as a result of these massive ecosystems platforms that people are on. So, that's I guess the other half of the coin here is, other side of the coin here is, do you foresee? And you referenced Facebook, sure, and maybe Amazon would be actually probably a little bit closer as an example, where you fuse the social connection possibilities of Facebook with an Amazon, and you have basically Tencent, and so it's interesting. Do you see that happening here eventually to the marketing landscape, these cross-functional platforms being created?

JB Absolutely, yeah. No question. I think it will take a little longer here because we have so many "Game of Thrones" style behemoths that are facing off. In order to be truly all-encompassing like we see there, there's gonna have to

be some winners or some M&A, you know. But when you think about if you combined Facebook and Amazon, right? You have something that's approximating what we see in other parts of the world.

SS Alibaba.

JB Question is... Yeah, precisely. The question is how does that combination actually work in practice here, right? You know, too big to buy, and they're both playing for all the marbles, not just some, and then, you know, where is Google and all of that, like, you know, ultimately, I'm less bullish on Google because we are in a post-webpage environment, at least we are headed there very quickly, you know, where content exists in snippets, not in pages. They win when content is in a page, they lose when content is not in a page. And you already see some evidence of that starting to occur.

SS Yeah. Well, I'm gonna come back to that too. That's a good point. A couple of other trends that I just wanted to explore briefly with you in the time we have remaining here, you're looking at the DTC industry, especially in the whole CPG space, absolutely literally exploding.

JB Oh, my God, I can't tell you how much shit I bought on Instagram I didn't even know existed. Instagram is like costing me $1,000 a month in, like, unnecessary purchases. It is the greatest. The targeting on that thing is so good. It scares me to death. I'm like, "Oh, my God, ice cube trays. I didn't know they had..." I mean, it's just...

SS It is just funny.

JB It is fucking unbelievable. It's so good.

SS Well, what seems to be happening is the CPGs are getting sideswiped. They're obviously trying to play the game, buying these companies, and certainly, as an aging direct marketer, it's very gratifying to see all of this happen. I call it the golden age of relationship marketing, sort of back to the future.

JB You probably don't know that, I started in direct mail, but...

SS Oh, good for you. Wow. I feel like you're a brethren now. Well, no, I'm not joking. I mean, I've been at this game a

JB long time, and it's nice to see the principles that were being talked about in the mid to the late '80s, early '90s, now being really adopted as mainstream practice. So, it's very gratifying.

JB Yeah. I started mostly politics. I was a politics direct mail specialist.

SS Well, I also noticed - I think you're a political science major, are you not?

JB Was.

SS Yeah, that's where I started it, so interesting. Now, I want to come back to this point though, because you're seeing now this flourishing of the DTC industry, literally hundreds and hundreds of companies now taking root. Do you see that? Like what do you make of that? Not just in terms of how it's suddenly occurred and accelerated with such speed, but really what that portends for the future of business. So, what do you extract from this trend that we're seeing?

JB It's the same trend we saw on the content side, now just applied to the product side, right? So, it wasn't that long ago that you couldn't create a newspaper, right? You couldn't create a television station, right? There were three TV stations, and there were a few newspapers that really mattered, and there were a certain number of radio stations, and now there's 600,000 podcasts. There are, I don't know how many YouTube channels, but a lot of YouTube channels, they get more exposure than any television station, and the tools of becoming media are now nearly free. And now we're seeing the exact same thing on the commerce side where the tools of becoming a brand, becoming a product, and taking it to market are … My son is 17, he started his own fashion label at 15.

SS Crazy.

JB He does three collections a year, makes a series of shirts, hoodies, pants, drop some, has a website, has Instagram ads. He's 17 years old and has his own brand.

SS Well, he's taking his father's entrepreneurial instinct, obviously.

JB Well, entrepreneurial instinct for sure. I mean, he's an eighth-generation entrepreneur, so instinct for sure, but I

haven't helped him hardly at all because he doesn't want help, especially from his father, which I totally understand. So, you know, he just figured it out, right? And that's it. Here's what he sent me the other day. It chilled me to my core, but he's not wrong. He said, he just picked a college recently, like, two weeks ago, and he said, "Okay, I'm gonna go to the school." He's going to Drexel in Philadelphia. He said, "I'm gonna go to this the school and all that, but, Dad, I got to tell you everything I need to know, I can learn on YouTube." I said, "Well, you're not wrong probably, but you're still going to college, and here's why. Because there's other lessons other than in the classroom, etc." So, you know, there is no more gatekeeper and there's no gatekeeper in media. I mean, I have a podcast, I've been doing a podcast for nine and a half years, right? And I reach a very specific audience, big companies, social media managers, and we reach, you know, 55,000 people a month, right? That I just sit here on my desk and do it, right? Now, that's not a gigantic podcast, but considering the narrow audience, that's pretty damn big.

SS Of course.

JB You know, we'll do just on my blog, which we started just me writing articles once in a while, we reached 2.8 million people last year.

SS Crazy.

JB Right? So, anybody can do it in theory. And now the same thing is true in products. You don't have to have distribution. You don't have to have a $1 million website, you don't have to have any of that, right? You can be a 15-year-old kid in Bloomington, Indiana and be pretty good at Photoshop, and now all of a sudden you have a brand, and you're selling it to consumers.

SS Yeah. And you don't have to advertise.

JB Right. Or you do a little bit, but it's super, you know, targeted Instagram ads that, you know, are only being shown to people who have a high proclivity to purchase.

SS Right. Right. And it's relevant to the moment, to the audience.

JB Yeah, it's crazy.

SS I just wanted to cover another subject that to me is a game changer. So, there's a whole DTC industry, who knows where that eventually takes the business itself. The other one is voice technology, obviously, the critical mass, now that's early stages of adoption, but quickly accelerating. It will infuse everything. Now that's gonna collide, obviously, with 5G arriving, so there's a whole world of technology that's arriving on our doorstep that's fundamentally changing or will change, obviously, the nature of the customer and consumer relationship. But sticking with voice technology for a second, how do you see that changing the practice of marketing? And, you know, I kind of look at it one or two ways. Either it's gonna be the mother of all channels because everything's gonna be so voice-activated, or the other way to look at it is it's gonna be the mother of all intermediaries, and then brands are gonna have a tough time leaping over that wall. Where do you fall on that sort of future speculation?

JB I think it's both, for this reason. Adoption of smart speakers and voice-activated technology is really accelerating even more so than I thought it would. I think we'll see a little bit of a plateau before it ramps up again, but my experience after doing this for 30 years is that convenience always wins. And there may be some kinks in the chain and some pauses, but eventually, convenience always wins. Like for a while, I've got Comcast at home, they have a voice-activated remote, which I was a little apprehensive to use because I've been using a remote with my fingers since I was just a child, but now I only use the voice remote. I finally realized like, "Oh, this is way better and way faster," and eventually, I think voice interfaces for everything will be adopted in a way that is almost ubiquitous. And in that environment, you think marketing's hard now, like when you ask Alexa for a recommendation, you get one answer. You don't get a list of 10 answers, and you get to pick 1, right? You get one answer. So, it'd be, if Google only had one result for everything, that's what the future is. So, if you're not voice-enabling your content now, we're actually going through a big initiative in our organization to voice-activate pretty much everything that we make. I mean, you know, I actually thought about the next book that I write only being available as a series of Alexa prompts, not on paper, not as an audiobook, nowhere else. I think that's where we're heading. I really do.

SS What does that mean to voice-activate the business? What does that imply?

JB So, what we want to do is create skills so that you can get every blog post that we write via Alexa and Google Home that we give you how to get all of our podcasts in that fashion, but probably also create some sort of "Ask Jay" question. So, create 500, 1,000 digital marketing customer experience questions with answers, and then activate and enable that skill, so that somebody can say, "Hey, what do you think about...or how can I, you know, make my..." An even better example, "Should I pay customers to leave me a review?" Right? And I can have an answer on that, right? And so, we're working on that kind of thing.

SS How does your answer beat out Seth Godin's answer, though, in the end?

JB That's it. Well, it depends on... This gets a little bit wonky, as in how Amazon handled it, right? So if you say, "Alexa, ask Jay," and then the question, right? That's added essentially a voice version of my website for all intents and purposes. If you just say, "Hey, Alexa," ask the question, then Alexa will determine which is the best answer based on a bunch of other things that nobody quite understands yet.

SS But that's the point, I think, you were making earlier, is it completely...?

JB You actually get one winner, yeah.

SS Yeah. Like, first pass the post and what race are you running, no one has any idea. And so, I'm gonna ask one final question here. It's the most loaded question of the few loaded questions I've asked you today. By the way, you're a great tennis player because all your answers have been fantastic. The web turned 30 in March, and Tim Berners-Lee has written actually about this and been interviewed around it, looking back and reflecting on his legacy. And he looks out at this, shall we call it a wreckage and he says, "A backlash is coming." So, this is the inventor of the web saying he's not happy with the child he produced. The kid has turned out to be a juvenile delinquent in some cases, I'm kidding, obviously. But is the free and now model, which really led the web to explode, was that just inherently flawed from the beginning? Is digital advertising, as I've heard it referred to,

the original sin here? And recently former Unilever CMO, Keith Weed, says we're in a trust or bust moment today. What's your perspective on the state of the internet and where we're going with things?

JB I think we're definitely seeing some signs of fatigue, right? Facebook usage is actually going down in the U.S., especially amongst young people, but, you know, there's obviously a tremendous amount of chatter about kind of the state of things, and, you know, people are sort of realizing that they are in fact the product. But, again, convenience always wins. So, sure, you can have a backlash, but that backlash is just a bunch of people bitching unless there's an alternative. And I'm not certain what the alternative is, right? We're gonna go... Everybody is gonna get print newspapers, again? Everybody wants things more expensive and slower?

SS Or paywalls.

JB Yeah. And now I do think on the paywall side, you know, you look at something like the Athletic, right? Which I'm a loyal subscriber to, and it sucks that they're, you know, essentially strategically killing off the sports departments of every major U.S. newspaper. But as a former journalism major, that is sad, but it's the better mousetrap. Unimpeachably, right? I get news from every team, including my teams for five bucks a month or whatever it costs me, I think that's right. That is well worth it, which is why they are being successful, right? So, on the content side, I do feel like paywalls are at the point now where people are like, "Yeah, you know what? I'll pay for something that's worthwhile." And that's particularly true in the research that we've done and others with millennials

and Gen Z. They do not feel like everything should be free or needs to be free. They'll pay for quality, right? And so, from the content side, I think that's probably good news.

SS Well, who can say exactly, but I really enjoyed the hour with you, Jay, as I fully expected, it's been really a fascinating conversation. So...

JB Thanks, I appreciate the time. It's a lot of fun.

That concludes our interview with Jay Baer.

As we learned, in an age when people's expectations have soared, thanks to technology, the stories they like to tell are about the unexpected. Even the smallest gesture - like a hotel handing out a fresh baked chocolate cookie at checkout – can make a lasting impression on customers. That customer is compelled to talk about that experience because it made them feel special or acknowledged or delighted or comforted. Word of mouth is, and alway

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