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From Deadend to Deadhead Marketing: Lessons Learned from an Iconic Band

by Nancy Pekala

Are you in need of some inspiration to make your brand innovative and iconic? You need look no further than Jerry Garcia and his band of merry music makers. The Grateful Dead, arguably one of the most iconic bands in history, offers marketers a veritable to-do list to attract legions of fans with savvy marketing strategies.

To find out how to transition from deadend to deadhead marketing, <u>Marketing Thought Leaders</u> spoke with Brian Halligan, CEO of <u>HubSpot</u>, a marketing software company, and co-author of <u>"Marketing Lessons from the Grateful Dead"</u> in this exclusive interview. A deadhead himself, having attended nearly 100 Grateful Dead



concerts, he shares his insights about ways marketers can mimic the band and become innovative and iconic in their own industries. (For the complete interview, <u>download</u> the podcast.)

Marketing Thought Leaders: The title of your book references the Grateful Dead as "the most iconic band in history". Certainly what earns them that title, in part, is the iconic way they engaged and grew their loyal fan base, known as Deadheads. Given today's focus on engaging customers via social media, how can brands and companies be iconic in this way?

Brian Halligan: The Grateful Dead were very, very smart about how they built a community around their site pre-Facebook, pre-Twitter, pre-LinkedIn. They did a couple of things just spot on right. First, they had a unique product. It's a very obvious concept but so many companies have me-too products that sound like everybody else. It's one thing to have a me-too product when you're competing in a small geography but now the competitive landscape is the whole world because the Internet opens it up to lots of competitors and customers. So, it's more important than ever that you be unique.

Secondly, the Grateful Dead was very clever in how they marketed that product. One of the really clever things they did was they let folks who came to their concerts tape those concerts and then freely make copies of those tapes for their friends. Every tape that was made that was played in a dorm room became an advertisement for people to come in and see their concerts. It's very applicable to businesses today. Businesses should be doing inbound marketing-- creating lots and lots of content such as blog content, webinars or e-books. Each piece of content they create is a magnet for new customers through Google, links from other sites, from the blogosphere and social media sphere. So, as it turns out, there's a lot to learn today in 2010 from old Jerry Garcia.

MTL: The Grateful Dead offers an impressive case study in marketing---from engaging audiences to the distribution of their music to the ways they redefined their business' ticketing practices. Was this a deliberate strategy on their part or was it built into the DNA of the band members? Is their approach applicable to any business today?

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Halligan: While the band started in the mid-'60s, the money bus didn't run them over until the mid-'80s. Jerry wasn't very motivated by money and success. A lot of what drove him is he wanted as many people on the planet to enjoy their music as physically possible so a lot of the interesting marketing strategies just fell out of that one core, fundamental assumption. In fact, when the Grateful Dead first started playing, Jerry had so little money that he was living out of his car and he would go down to the local fast food store and get those tomato packages for ketchup and make tomato soup from the ketchup packages and hot water.



MTL: The band itself was comprised of a blend of musicians with a unique mix of diverse experience and talents. You note in the book that marketing departments would do well to take a cue from the band by developing a marketing team of individuals with an eclectic mix of talents and backgrounds who are unencumbered by "best practices". Can you expand on this concept?

Halligan: Jerry Garcia was a real bluegrass guy. He started the band with Bob Weir, a rock and roller, Ron "Pippen" McKernan who was a blues man and Phil Lesh who was into jazz. They came together to create this magic. It's important in marketing departments to do something quite similar. The marketing industry is going through this massive transformation today. It used to be that marketers were all about "How do I advertise my way into people's lives? How do we do a TV ad or radio ad? How do I do an email blast and get people's attention?" None of that stuff that we grew up with in marketing really works anymore. There's a whole new set of skills that marketers need in order to pull people in through the natural course of the way they shop and learn today.

My advice to modern marketing departments is to assemble a whole new team. You need to go and find some hotshots who have a real reach out there. Find some kid who's blogging in his mom's basement about whatever it is that's happening in your industry. If you can't figure out how to monetize his blog, hire that kid and turn him into your content creator. Find very analytical people. Marketing used to be very touchy feely but it's now become much more analytical. Hire this new interesting mix of people and pull them together with your old school marketers and see if you can create some magic like the Grateful Dead.

MTL: Over the years, the Grateful Dead experimented in the way they engaged with their fans, and distributed their music and merchandise. You suggest that marketers spend more time experimenting and learning from failure. You even recommend shortening planning cycles to monthly rather than the traditional 6-12 month cycle. With such pressure on ROI today, how can marketers make this transition and obtain this buy-in from leadership?

Halligan: Traditional marketing schedules are typically 6-12 month planning cycles, 6-12 month budgeting cycles. It's sort of foolish to spend millions of dollars on some TV ad which you run only to find the darn thing falls flat on its face. What makes sense today is to create 10 smaller videos that are rougher in quality and to test all ten. Two of them take off to the moon, two of them do relatively well and the rest all fail and you call it a day. So what marketers need to do is shorten their planning cycle and run projects in monthly sprints. On the first day of the sprint, you plan out all your projects for the next 20 days of the month and the last day of the sprint you take stock to see how you did. Then you start working on best practices from that sprint that can spill into the next.

MTL: One of the most compelling chapters of the book focused on the need for marketers to mimic the Grateful Dead's approach in reaching out and capitalizing on those audience segments who are different. You suggest that smart companies understand eccentricities and create a market for them. Whether in terms of skill sets or mind shifts, what will it take for marketers to do this and how does this fit in with the traditional approach of defining customers based on "personas"?

Halligan: When I think about traditional marketing, my dad's marketing, there's this gigantic wall around the enterprise between your business in the marketplace and your suppliers or customers. What's happened is the Facebook generation is demanding that wall get pulled down. They're

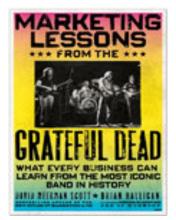
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demanding a much higher level of transparency and authenticity and a much deeper connection directly with CEOs and founders. Boy, is that a tricky change for companies that have been around for a long time! What marketers need to do is try to tear that wall down, try to be more transparent with their customers, with their community around them and pull them in much closer.

For example, everyone talks about the mighty press release but if you read most press releases, they're written in this just extremely inauthentic language and it sounds like everybody else's press release. That kind of behavior is emblematic of what needs to change. If you're going to write a press release, you should write it in very authentic terms. You should include good video of your CEO talking about it, you should include a link to a blog article where people can comment and interact. There needs to be a new way of communicating with the marketplace that is fresher, more authentic and where you're embracing the eccentricity of your audience.

MTL: Unlike other major bands of their day, the Grateful Dead encouraged and even enabled fans to freely record and download their live performances A sub segment of their Deadhead fan base,



known as Tapers, were religious about their desire to record live shows, archive and distribute them to other fans. In your book, you stress the need for marketers to create lots of free, remarkable content to attract their own fan base and drive traffic. Can you talk more in depth about how marketers can effectively adopt this content marketing approach?

Halligan: I'm a huge believer in inbound or content marketing. Let's say on Monday you decide to do a blog and write the first article. The article is pretty good and you get 4 or 5 people to link back to your article. The links will send you traffic and potential customers. Those links will also help you get your article ranked in Google. You do the same thing on Wednesday, on Friday and the following Monday. Those links become mini-magnets for potential customers. Every company needs to change their mind shift from advertising their way into people's pockets to creating these little min-magnets that scale over time to pull people in. They have to think like a publisher, like the New York Times, Fox or Disney. That's how a modern marketing organization looks.

MTL: One of the things the Grateful Dead did well was give up some control to allow its fans to define the concert experience and even help grow it. This included loosening the reins a bit on their branding. Most companies today hold on pretty tight to their branding. Are you suggesting it's time marketers lightened up a bit on branding control?

Halligan: Branding has changed a lot in the last couple of years. A lot of people say, "I'm not going to buy into this Google thing, social media or Twitter because I'm worried about my brand." The reality is it doesn't matter if you want to engage in Twitter or Facebook because people are going to talk about your brand and about your industry. Those conversations are going to happen and you are far better off getting involved in them. Today, the community decides what your brand is. People on Facebook, Twitter and other influential users and customers are those who are taking your brand in different directions. It's very, very hard to control so best you can do is engage with the community and at least try and get a harness on this runaway horse.

MTL: Commenting on his band's journey, Jerry Garcia noted, "What a long strange trip it's been." During the process of doing the book, what personally surprised you and what did you take away from the experience as a marketer?

Halligan: This was the most fun project I have ever worked on in my entire career. If you can find something you're really passionate about like marketing lessons learned from the Grateful Dead, you should embrace that passion and run with it. If you're stuck in some job you don't like, you're much better off finding something that you're really passionate even if the money is worse because eventually the money will come, sort of like it did with the Grateful Dead.

Nancy Pekala is the AMA's Director of Online Content and Editor of <u>Marketing Thought Leaders</u> Follow us on Twitter at twitter.com/marketing_power. Submit feedback and ideas relating to the AMA's newsletter program to <u>suggestions@ama.org</u>.

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Rockin' Recommendations for Marketers

In his book, <u>"Marketing Lessons from the Grateful Dead,</u>" co-author Brian Halligan suggests marketers take a cue from the Grateful Dead by following these recommendations for reinventing their approach to marketing and branding.



Create a Unique Business Model

Create a business model fundamentally different from your competitors. Utilize emerging technology or tap into the expertise of others from outside your industry to help.



Build a Diverse Team

Design a marketing team comprised of individuals who are digital citizens with diverse, unique talents that didn't necessarily originate in the marketing department, PR firm or ad agency. Think in terms of "conversion team members" (those with digital skill sets

responsible for converting those who get pulled in), "analysis team members" (those who use insights to make better decisions) and "getting found team members" (those who are natural-born content creators).



Experiment, Experiment, Experiment

Instead of seeing failure as something to be avoided, CEOs and management teams need to free their marketers to experiment, quickly learn from failure and experiment again. Marketers should shorten up their planning cycles to monthly versus six to 12

months out. Plan activities in monthly "sprints" in which you execute your projects for 19 days a month, spend one day learning from the previous month's projects, and then select the next month's projects of which at least 20 percent should be purely experimental.



Encourage Eccentricity

Smart companies understand eccentricities and create a market from them. Build personality into your web site. Remove any content that looks similar to your competitors'. Delete what's boring. Make sure your website, blog posts, newsletters and emails are unlike all others in the marketplace. Stop hiding your personality behind carefully scripted



Put Fans in the Front Row

press releases, tweets and announcements.

Communicate to your loyal group first. Before your next product release, do a special event, teleconference, or webinar for your existing customers. Let them know first, before you alert the media and others.



Build a Following

Build a following by creating lots of remarkable content that pulls people in-content that's personal, relevant and interesting to your followers.

Make a chart that shows the total number of names on your email list plus your blog subscribers, twitter followers, Facebook fans, and LinkedIn Group members. Update your chart monthly and make it part of your standard reporting and metrics.



Loosen Up Your Brand

Marketers should stop acting like the "logo police" and show their brand's personality. By loosening up your brand, you allow your company to show its personality and ability to roll with the punches.



Do What You Love

If turning your job into something you're passionate about doesn't work in 2 months, start looking for a new passion. Target companies and industries you're excited about and sell them on creating a new position for you around your "passion". Write letters to CEOs and attach your PPT slide deck or brilliant blog article about how you would transform their business if the company hired you.

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