

The 7 New Rules of Marketing

Growth hacking to platform innovation, social influencers and exponential impact, marketing has fundamentally changed in mindset, activities, priority and impact. **Peter Fisk** describes the 7 challenges, or opportunities for marketing success.



Markets have fundamentally changed.

A new generation of businesses (new technologies, new business models, new leadership) is emerging to address a new generation of customers (new audiences, new geographies, new aspirations). Marketing exists to connect businesses and customers, in relevant and profitable ways.

A new approach to marketing is therefore required. Some of the new approaches, and maybe the language, will be familiar. But not all, and not joined up as a fundamental approach to driving business performance. Together, some call it Marketing 4.0 or Exponential Marketing, but whichever labels you apply, it involves a seismic shift in philosophy and practice.

It fundamentally challenges every marketer who still turns first to their strategic plan. And then to their advertising agency, or even their web developer. It is fundamentally digital in mindset, but human as well as technological. It demands analytical thinking, content and networks, but also vision and creativity. It requires new types of leaders, and a new mindset for every marketer. It is built around 7 transformations.

These are the new rules of marketing:

1. Growth Hacking ... Forget strategic planning that is slow, structured and stable – instead think of strategy like a portfolio of fast and relentless experiments, seizing and shaping the best opportunities for growth. It still needs direction and choices – a vision still matters, making sense of change, having a clarity purpose, and a defined context in which to hack. Strategy becomes agile and creative, outside in, big ideas and small

experiments, driven by changing markets and customer aspirations, rather than fixed by your own capabilities and products.

Example: *Brett King is an Aussie in New York City, on a mission to create the future of banking. He has vision, and shared it in a book called Bank 3.0. But then started to make it happen, with Moven. His story is one of trial and error, experiments and set-backs, breakthrough and revolution. A strategic and practical hacking entrepreneur.*

2. Customer Analytics ... Forget mass-market segmentation, whether geographic, demographic or anything else. People are individual, and don't want standardised solutions. The power of big data, connecting and interpreting, automating and exploiting – together with more qualitative and creative insights through customer immersion and “design thinking” – is used to focus, engage, customise, deliver, support, enable the right customers over time. Linking to the hack culture, is the ability to keep learning, about people, about yourself, and what works.

Example: *Netflix has taken customer analytics to the extreme, using it not just to focus and personalise its activities, but to reinvent an industry. A lifestyle even. From the early days of DVD by mail, and developing algorithms to learn which titles which people would like best, to the current Netflix with 10,000 options but selections to make it easy, to House of Cards and other blockbusters based entirely on what big data says is the perfect show.*

3. Platform Innovation ... Forget innovation around a product, or even a service. Think strategically about how you can shape the market, in particular the platform that engages buyers and sellers, suppliers and distributors. Business model innovation, channel innovation, price innovation, then follow. Innovation is about shaping the market and all its dynamics to your advantage, whilst also personalised for each individual through micro-innovation – collaborative and customised solutions and experiences.

Example: *When we think of Tesla we think of the cars, the beautiful carbon-free engines, powered by the sunshine. Yet Elon Musk reminds us that his mission is much more. Energy sites at the heart of it, Solar City his business, that is driving everything from the Giga Factory to supply solar energy to every home, to sending SpaceX flights next stop to Mars, but most importantly making the Supercharger network, the most important shaper of the future automotive world.*

4. Brand Storytelling ... Forget brands built around who you are – brand logos, slogans and ownership. People engage with brands about them, brands that reflect their aspirations, and brands that connect them with other people who share their values and aspirations. Brand stories are living fables, encouraged by the company, but interpreted and spread by people to people. Content must be realtime and relevant, and keep moving forwards. Encouraged but not controlled. Inspiring, human and memorable.

Example: *In late 2015 Bill Gates made a short video of himself standing in human faeces. He scooped up a cup of it (to collective groans of a million people watching his blog), and poured it into Janicki Bioenergy's new machine, an omniprocessor, that turns poo into pure water. After a few seconds he turned the tap, and filled his clean glass. And drank, almost smiling. It demonstrated that power of a story, and in this case the personality, the challenge, the inspiration, and the food for thought. It could have come straight out of Pixar's guide to storytelling.*

5. Social Influencers ... Forget advertising, whether a TV campaign with 30 second slots, or even personalised mailings – people are not listening, and they don't trust you.

Instead they trust people like them, friends and peers. Word of mouth in a digital world, PR and celebrity endorsement is replaced by Instagramers or Youtubers who they trust. Brand stories, advocates, and community building help to guide and shape this influence.

Example: *I am currently working with the world's largest portfolio of beauty brands. Yet their new challenges are not big-budget competitors, but cool and connected Youtubers, like Michelle Phen, who can inspire and influence the brand choices of millions of millennial followers. Michelle's own brand Ipsy curates the best ideas from brands around into a monthly subscription-based cosmetics pack of everything a girl could dream of.*

6. Enabling Experiences ... Forget customer experiences as a semi-automated series of incentivised touchpoints built around the "sale", think instead from a customer's perspective. Think about the experience they have – the outcomes, not the inputs, what they do not what you do. Which is usually more about how they use, apply and exploit the products and services which they buy, rather than the purchase itself. Use their language, think about their experience, and how they use, store, apply and even dispose of products and services. Enable them to achieve more.

Example: *Mark Parker is Nike's CEO. At a recent company event he walked on stage and declared that Nike is not a sportswear company. Gasp. Horror. What did he mean? He continued, "Nike is a sports company" he declared boldly. "We help people to play, workout, feel good, compete and win. Our obsession is what they do, not what we do". From sponsored athletes to digital technologies, Nike is dedicated to helping every person achieve the best they can be (Read the tag in your shoe!).*

7. Exponential impact ... Forget an obsession with sales volumes, even revenues, which are the short-term measure of sales people. Marketers should be focused on growing the business – profitably and sustainably – creating a better business future, and a long-term platform and guide for customers. Think profitably. Think growth. Think economic value creation. Exponential growth is now the expectation of investor, achieved by harnessing the power of branded networks, social influence and agile business models. Fast, exciting and rewarding.

Example: *We have become familiar with the unicorns, rapidly shaping every different sector. Start-ups that become billion-dollar companies in just a few years. Most recently from Deliveroo to Shazam, they astound us with their impact. And leave executives and investors scratching their heads for how to perform the same trick in established companies. WhatsApp is a great example. \$19 billion dollars of value created in 3 years by 17 people. How did they do that? The answer lies in the exponential impact of networks, and developing propositions and business models that truly part networks at their centre.*

Marketers create the future ... They are the champions of customers, the catalysts of innovation, and drivers of future growth. They create more economic value than any part of the business. And they make the best future CEOs too.

Whilst everyone else in the business is looking backwards (finance) or downwards (operations), marketers are looking ahead. Making sense of change. Embracing new ideas and insights. Forging new pathways, and making better choices. Being the pathway to the future. When investors consider who to learn from when choosing where to invest their money, it is increasingly the marketers who have the best view of where organisations are going, which future profits will be most significant, and how they will

get there.

Marketing, when defined in the broader sense of the strategies and actions to drive future growth, innovation across the business, by harnessing the crucial assets of brands and customer relationships – creates 3 times more economic value (measured by the likely future cashflows), than any other part of the business.

Organisations need growth-minded marketers more than ever. They are the navigators of change, and leaders of the future. But they themselves need to remember this. To keep the bigger picture in mind, whilst harnessing the ever-increasingly complexity of big data and technologies, social media and realtime action. To stay strategic as well as focused, to be a business leader whilst also functional expert, and to create tomorrow whilst delivering today.

© Peter Fisk 2016

Peter Fisk is founder of GeniusWorks, based in London, and Professor of Strategy, Innovation and Marketing at IE Business School, in Madrid.



Peter Fisk is a global business thought leader on growth and innovation, customers and marketing. He is a bestselling author, expert consultant and keynote speaker, helping business leaders to develop innovative strategies for business and brands. Having trained as a nuclear physicist he went on to work with brands from Coca Cola to RedBull, Virgin to Vodafone, is a professor at IE Business School, runs his own innovation company, GeniusWorks, and features on the Thinkers 50 radar of best business thinkers.

Peter Fisk's latest book is "Gamechangers: Creating Innovative Strategies for Business and Brands":



Gamechangers is about creating innovative strategies for business and brands. Across the world, new ideas, new businesses and new solutions are transforming every market. "Gamechangers" think and act differently. They innovate every aspect of their strategy and business model, brand and marketing, process and leadership. From Alibaba to Zipcars, Ashmei to Zidisha, they are changing their worlds, and give you the inspiration and blueprint to change yours.

Explore more ideas, articles and case studies, videos and toolkits, blogs and more at his website: www.theGeniusWorks.com