How Brands Are Using Nonlinear Marketing to Connect with Customers in the Post-Advertising Era.

By Jamie Turner and Dr. Reshma Shah



60 second marketer

Thanks for downloading this e-book about Nonlinear Marketing.

We developed this resource to help you gain a deeper understanding of one of the more revolutionary marketing approaches to come along in decades — *Nonlinear Marketing*. It was a concept expanded upon by Dr. Reshma Shah, Dr. Varsha Jain and me in several blog posts and leading publications. We've consolidated the key concepts behind Nonlinear Marketing into the e-book you're holding in your hands (or reading on a computer screen).

If these kinds of topics are of interest to you, please feel free to <u>subscribe to the 60 Second</u>

<u>Marketer e-newsletter</u>. We provide updates on business, marketing, and leadership to people like you several times a week.

In the meantime, enjoy the e-book. We hope you'll find it helpful.

Sincerely,

Jamie Turner

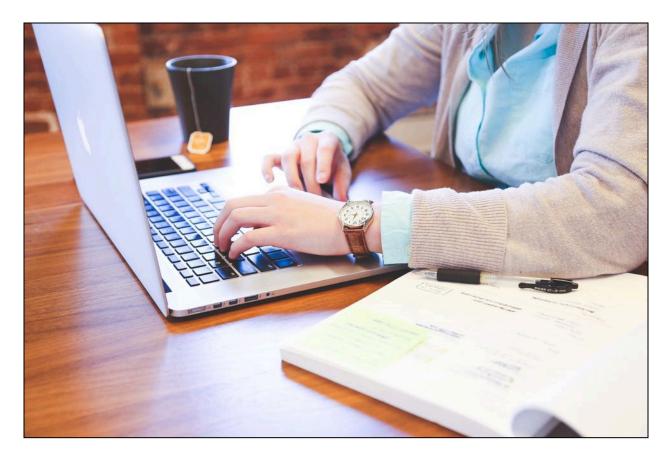


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Imagine This ...



You're the brand manager at a multi-billion dollar consumer packaged goods company and you've been charged with the task of increasing market share by 2 points over the course of the next year. You have over \$100 million to accomplish the goal, so despite the fact that your product is a mature brand, you feel confident that you can do the job.

Now imagine the same scenario but with a twist -- you're not allowed to use traditional TV commercials to help you accomplish your goal.

Impossible, you say?

Not so fast -- not only is it possible, but many brand managers actually prefer *not* to use traditional TV because they'll be leveraging Nonlinear Marketing — a new approach to marketing that is less expensive than some traditional methodologies, and in many cases, more effective.

What is Nonlinear Marketing?

Nonlinear Marketing is a new approach to marketing identified and expanded upon by <u>Jamie Turner</u> (CEO of 60SecondMarketer.com), <u>Dr. Reshma Shah</u> (Associate Professor in the Practice of Marketing at Emory University), and <u>Dr. Varsha Jain</u> (Associate Professor in Integrated Marketing Communications at MICA).

Brands such as Red Bull, Lego, AirBnB, Yeti, Starbucks and others are using versions of Nonlinear Marketing to weave themselves into the lives of prospects and customers. Instead of relying on a 30-second commercial to interrupt a prospect's life with an unwanted sales pitch, these brands actually *become part of the consumer's life* through events, stories, experiences, interactive content, sponsorships, and even ads that are designed to *envelope the consumer's life rather than simply interrupt it*.

You've probably already experienced Nonlinear Marketing when you engaged with a Facebook Live video, clicked through on a sponsored social media post, participated in a brand-sponsored

event, chatted with a brand via Twitter, watched a non-promotional branded video, or engaged with any brand that was intentionally bypassing traditional (linear) marketing and weaving itself into the fabric of your life.

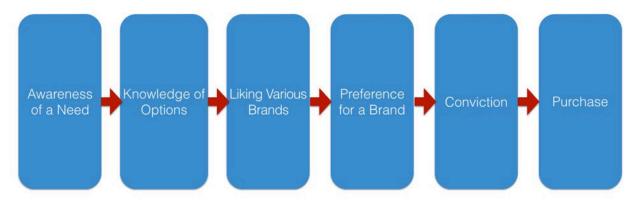
But is Nonlinear Marketing as easy as launching a series of simple marketing tactics? No, not really. It's much more nuanced than that. And perhaps the best way to understand how Nonlinear Marketing can be used by your business is to start by taking a look back at some of the more traditional aspects of marketing.

Traditional Models of Consumer Behavior

The ultimate goal of any organization – whether it's for profit or non-profit – is to get someone to buy what it's selling. For Apple, the goal is to sell more computers. For Nike, it's to get more people to purchase their athletic wear. For Uber, it's to get more riders than its competitors do. To achieve this, marketers have to tap into what motivates consumers to buy things and to effectively use persuasive techniques to convince them to make the purchase.

Traditionally, consumer decision-making and response models have been built around a linear understanding of how consumers buy products and services. The idea was that consumers sequentially pass from one stage to the next until they make a purchase. It was the marketer's responsibility to track where consumers

were in the sales funnel and to persuade them to move to the next stage.



Hierarchy of Effects model developed by Lavidge and Steiner

Whether you consider the Awareness, Interest, Desire, Action (AIDA) model of consumer response or any of the other traditional models (such as the Hierarchy of Effects model developed by Lavidge and Steiner), you see the same linear pattern. These models all assume that in order for a consumer to decide upon a particular purchase, they first have to become aware of the brand and develop some thoughts or cognitions regarding the brand. Next, consumers go through an affective stage where they develop feelings or emotions regarding the brand. Only after passing through the affective stage do consumers take action in terms of trying or actually buying the brand, thus entering the final behavioral stage.

Marketers move consumers through these stages by helping them become aware of the brands; helping them develop preferences for the brands; helping them develop feelings about the brands; and finally by providing them incentives to try or buy the brands.

The Way Consumers Actually Behave

Things have changed since these models were developed in the 20th century. Research in social psychology, communications and marketing has revealed that consumers don't always respond in the same linear fashion or even follow a linear pattern. They may try a sample of a product, then learn about the product, and then buy it. Or, they may buy it first because it was on display, then feel good about the product, and then rationalize the purchase with thoughts about how much they actually needed that product to begin with.

Traditional models of consumer behavior suggested that your customer follows a linear path from Awareness to final Purchase, but these models don't always reflect reality.

Here's an example — a consumer may be exposed to a brand at a grocery store and decide to try a sample. After they try the sample, they decide they like the taste and buy it. Only after the purchase do they consider the nutritional content and conclude that since health and wellness are very important to them they might

continue to buy the brand. In this example, the consumer acts, then feels, and then thinks about what they have done.

In another example, a consumer might see a pair of jeans while window-shopping that create positive emotions. That leads them to buy the jeans because of the feelings they have. After buying the jeans, the person might then ponder what impact the purchase will have on their budget. In this example, the consumer feels, then acts, then thinks.

Marketers are now starting to think about consumer decision-making models that better reflect the organic, amorphous nature of these consumer-buying patterns. The thinking is that if we can trace how consumers move through the traditional sales funnel at different times and for different situations, we can better approach them in a more holistic fashion. This thinking has led to the popularity of mapping consumer journeys.

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The challenge is that it's almost impossible to map how consumers move through the decision-making and response process. A journey still implies that someone goes from here to there in the purchase funnel in some logical way. However, consumers may

start in one place, go to another, come back to the first and then skip all the way to near purchase and then start all over again.

In addition, some decisions are made rapidly (within seconds) and others may take months or longer. Given this erratic behavior, marketers have to rethink not only how they communicate with customers, but also what types of interaction, engagement, and persuasive techniques will make a difference.

Traditional marketing communication activities include advertising, sales promotion (consumer and trade promotion), and personal selling activities. They also include digital marketing, sponsorship marketing, direct marketing, database marketing and public relations. Now consider non-traditional marketing activities such as ambient or place-based advertising, branded entertainment, promotional products marketing, product placements, guerrilla or ambush marketing, native advertising, and a variety of outdoor and transit advertising — just to name a few.

An integration of all these promotional tools along with other components of the marketing mix is what is required for marketers to gain edge over competitors. Additionally, marketers cannot simply assume that what has worked in the past — even for a given consumer or segment of consumers — will work in the future. The complexity of multi channel online and offline communication, the multi-directionality of communications and the prolifer-

ation of brand choice has made it much more important for the brand to seamlessly become a part of the consumers life and vice versa. The consumer must also be part of the brand's evolution by continuing to purchase the brand as it evolves in terms of forms, variations, sizes, and other product form changes.

Understanding Nonlinear Marketing and How it Differs from Traditional Marketing

Traditional (linear) marketing was all about interrupting a consumer's life with a message about your product or service. The consumer would be enjoying a TV show, radio program, print magazine or any other form of traditional media. The brand would interrupt that experience in order to force their message into the consumer's mind.

There were two primary drivers behind traditional marketing – frequency and engagement. If you pushed your message on consumers frequently enough, they would remember your product or service and (hopefully) purchase it. The alternative was to engage consumers with a message that made them laugh or cry. When consumers react emotionally to a stimulus, a memory is created. When a memory is created, a consumer is more likely to purchase your product the next time they're in a position to do so.

In some cases, larger brands were able to achieve high frequency and high engagement. Global brands like Nike, Apple, and BMW leveraged the one-two punch of frequency and engagement in a way that drove significant penetration (and revenue growth) around the globe. But most brands don't have the marketing muscle of these large, well-established brands. Furthermore, no matter how much marketing muscle you have, if consumers are resistant to commercial interruptions, they won't respond to the messages anyway.

It's also worth noting that traditional marketing lacked relevance for most of the consumers who were on the receiving side of the messages. Case in point – let's say you're the marketing director for Ralph Lauren Blue, a fragrance that appeals to a subset of the larger population as a whole. Traditionally, you would run a TV campaign to build brand awareness and drive people to online or brick-and-mortar retailers who sold the product.

Your TV campaign would run during prime time on a show that might have a higher than average female viewership. Despite running on a show targeting women, there's still waste – perhaps 40% of the viewers might be men who aren't necessarily in the market for perfume. Out of the 60% remaining, you could argue that half of those wouldn't have the demographic or psychographic make-up to purchase a Ralph Lauren fragrance. And out of the 30% of those remaining, perhaps 2/3rds had plenty of perfume already and didn't need any more.

That leaves you with a TV campaign that's reaching 10% of the intended audience. In other words, in order to reach that 10%, you have to waste 90% of your budget. Can you imagine walking in to your CFO with any other business expense and trying to justify that kind of waste? "Hi Barbara, can you approve this expense? We're going to buy light bulbs for our office building but 90% of the light bulbs we buy won't work. Can you just sign right here so I can make the purchase?"

It's mind-boggling. And it's why Nonlinear Marketing is not only necessary, it's imperative.

What Nonlinear Marketing is And What it isn't

Nonlinear Marketing isn't a tactic or a series of tactics. Instead, it's a strategic approach that brands use to envelop and encompass a consumer's life. If traditional marketing was all about the sales funnel, then Nonlinear Marketing is about weaving an almost invisible sales web that captures prospects as they go about their daily lives. Instead of interrupting a passive experience (such as watching TV, listening to the radio, etc.), Nonlinear Marketing allows a brand to actively participate in aspects of the consumer's life that they find important.

If traditional (linear) marketing is all about interrupting a consumer's life, then Nonlinear Marketing is about seamlessly weaving itself into the fabric of the consumer's life.

One of the best examples of a brand that successfully used Non-linear Marketing is AirBnB, which has avoided running large scale, traditional ad campaigns throughout most of its existence. What kick-started AirBnB's growth was a bit of sophisticated programming and innovative problem solving. The team found a way to cross-publish AirBnB listings on Craigslist so that whenever someone searched the Craigslist classified site for a vacation rental, listings for properties on AirBnB popped up. The result was that AirBnB was seamlessly woven into the fabric of the consumer's life, not in a loud, traditional, linear approach, but through a quite, innovative, and nonlinear approach.



AirBnB used growth hacking techniques to seamlessly become part of their prospects' lives.

RedBull is another example of a brand that has used Nonlinear Marketing quite effectively. The brand weaves itself into the lives of its consumers by creating and distributing music via Red Bull Records and, quite famously, by creating and promoting the Red Bull Air Races. They also have the Red Bull Cliff Diving World Series, Red Bull Racing, and Red Bull Crashed Ice. Keep in mind that these aren't just sponsorships. Instead, Red Bull has built an entire eco-system around the aspirational passions of the consumers it hopes to attract.



Red Bull taps into the aspirational passions of the consumers it hopes to attract.

The aspirational connection between the Red Bull consumer and what the brand means to that consumer highlights why Nonlinear

Marketing is a strategy and not just a tactic. In other words, a brand that is using Nonlinear Marketing to weave itself into the lives of its consumers creates experiences that are aspirational, engaging, and have *purpose*.

Nonlinear Marketing isn't just for larger brands with global foot-prints – it's for smaller businesses and solopreneurs, too. When Sree Sreenivasan, the New York's Metropolitan Museum of Art's Chief Digital Officer, was laid off from his job in 2016, he did the opposite of what most people would do (which would be to hide under a pile of blankets for a few days). Instead, he was fully transparent about the challenges he was facing and wove his story into the lives of his friends and family via Facebook and other social media outlets.

"If you want to invite me to anything, I now have time, including for meaningful cups of coffee and drinks," he wrote. The outpouring of support and empathy resulted in coverage about his dilemma on the BBC, PBS (Public Broadcasting System), the Columbia Journalism Review, ADWEEK, the Huffington Post, Fast Company and a variety of other media outlets. The result? Six weeks after weaving his story into the lives of those around him, Mayor Bill de Blasio hired Sreenivasan as the chief digital officer for New York City.

By bypassing the traditional approaches to a job search and instead weaving his personal brand (and life circumstances) into the lives of those around him, Sree Sreenivasan was able to accomplish his goal (finding a new job) in a more authentic, purposeful way.

Frans Maheiu, the Global Marketing Director for Kimberly-Clark (makers of Huggies, Kotex, Kleenex, and other brands) summed Nonlinear Marketing up very well when he said this:

"The problem for marketers today is that it's getting harder and harder to use traditional media to connect with consumers. In the 20th century, things were much simpler because media was dominated by TV, radio and print. Today, thanks to the Internet and digital marketing, things are much more complex, but also provide richer opportunities to connect at important consumer touch points. As a result, brands are exploring new techniques like Nonlinear Marketing to engage with consumers and provide a stronger and more durable connection."

Challenges and Risks for Brands that Want to Use Nonlinear Marketing

Nonlinear Marketing is not a silver bullet that will solve every marketer's problems. In fact, we've identified four key challenges that marketers should keep in mind if they want to introduce Nonlinear Marketing into their organizations.

- 1. **Scale**: If you want to launch a new marketing campaign across a national or international geography, there's nothing like traditional media to help you do so quickly. In some cases, that can be as simple as expanding a media plan and approving budgets. With Nonlinear Marketing, it's more difficult to scale-up because it requires more planning and more patience.
- 2. **Resources**: Many components of a Nonlinear Marketing campaign are more experiential in nature. As a result, they can require more coordination, labor and resources from the organization, which may be problematic for companies with limited marketing staffs.
- 3. **Tracking ROI**: We live in a digital age where many campaigns result in clicks and conversions that make tracking ROI much simpler than in the past. Nonlinear Marketing campaigns are more difficult to track on an ROI basis because of the nature of the campaigns. (Imaging trying to calculate the ROI of the smell of the coffee beans at Starbucks and you'll see what we mean.)
- 4. **Speed**: We would argue that Nonlinear Marketing campaigns create a deeper more meaningful relationship with

prospects and customers. We would also argue that those relationships are built up over time. If you're in a hurry, Non-linear Marketing might not be for you, but if you're in it for the long haul, then we believe it's the future of marketing.

Putting Nonlinear Marketing to Work for Your Business

What's the best way to get started with Nonlinear Marketing? The first step is to re-frame your thinking from the traditional 20th century model of interrupting a consumer's life experience to the 21st century model of becoming part of a consumer's life experience. That's no small thing, but it's at the core of every successful Nonlinear Marketing campaign.

The next step is to study the Nonlinear Marketing campaigns being run by companies like Red Bull, AirBnB, Lego and others. Those organizations don't view this kind of marketing as a series of simple tactics. Instead, they view it as a way of life for their brands. Their brands exist within the consumer's life, which creates greater brand loyalty and mind share than traditional methodologies.

Finally, you'll need to get organizational buy-in for a Nonlinear Marketing campaign from your business partners. Traditionalists will push back; CFOs will want immediate evidence of a return-on-investment; and CEOs will question your judgment. But remember — a shift to Nonlinear Marketing doesn't have to be a revolution

within your organization. Instead, it can be an evolution that takes place over time. That way, you can rely on traditional methodologies to keep things moving forward while introducing a long-term Nonlinear Marketing strategy to your plans for the future.

The bottom line is that traditional consumer behavior and consumer decision-making models don't accurately reflect the 21st century realities. In addition, media fragmentation and consumer resistance to advertising has made it even more difficult to interrupt a consumer's life with a traditional advertising campaign. As a result, more and more organizations are shifting to a Nonlinear Marketing strategy where deep and meaningful experiences are woven into the fabric of a consumer's life in order to create demand and inspire purchase.

More Information About Jamie Turner, Dr. Reshma Shah, and Dr. Varsha Jain

Whether they call it Nonlinear Marketing or something else, many brands have been implementing this strategy as a way to confront the dynamics of consumer behavior and media consumption habits. The concept was expanded upon by Jamie Turner, Dr. Reshma Shah, and Dr. Varsha Jain in a variety of platforms. What follows is additional information about each of these internationally recognized marketing and business experts.



Jamie Turner is an internationally recognized author, speaker, and CEO who speaks about business, digital media, and leadership at events, conferences, and corporations around the globe. He has been profiled in one of the

world's best selling marketing textbooks, is the author of several business books, and can be seen regularly on CNN and HLN. He can be reached at +1-678-313-3472 or via email at <u>Jamie.Turner@SIXTY.Company</u>.



Dr. Reshma Shah is an Associate Professor in the Practice of Marketing at the <u>Goizueta Business School of Emory University</u>. Her marketing strategies and insights have helped companies such as Delta, GE, IBM, and UPS and others

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Dr. Varsha Jain is an Associate Professor in Integrated Marketing Communications and the Chair, Dissertation, Co-chair, Research at the MICA (India). Dr. Varsha has authored 94 publications in primarily in in-

ternational journals and case collections such as Journal of Product and Brand Management, the Journal of Marketing Communication, the Journal of Consumer Marketing, Ivey, Emerald case collections and others.