

Marketing: notities video's

1. The economics of airline class

- Economy class is not how airlines make money. The real money is in premium cabins.
- Example: British Airways 777 (224 seats) London – Washington
- The 14 passengers in 1st class make the airline more money than the 122 normal passengers.
3 premium cabins: premium economy, business and first
45% of the passengers account for 84% of the airline's revenue
But there is no airline on earth that makes half a million dollars for a six hour flight over the Atlantic. The fares for this particular routing are significantly higher than the average fare paid for that flight because they are non-stop fares between two high-income, high demand cities. Of course a majority of passengers on that flight will not be traveling between London and Washington, they'll have connected. But the proportions of money for a ticket are still roughly the same.
British Airways focuses a lot on premium traveling. In general 2/3 of any airline's revenue comes from passengers in First, Business or Premium Economy class but this wasn't always the case.
- Beginning: there weren't really any classes because everything was premium. The experience of flying was the luxury itself.
- So the story of the development of airline classes isn't the story of how airlines developed more and more luxurious seats, it's how they cut costs to allow more and more people to fly. Airlines have figured out the way to sell the same product for different prices to different people. The experience within the plane is different.
- First classification in the 40s/50s. (Going on a mail plane with a lot of stopovers for a lower price.)
- Example: Tourist class tickets vs. Standard class tickets
Tourist class tickets had to be purchased in advance and had no flexibility, they were primarily for tourists. They had to commit to this one flight.
Standard class tickets were more for business men, they want flexibility and their boss pays for their ticket. They don't purchase tickets until the last minute.
(2 categories based on the willingness to pay)
- 1969-1978: 3 things happened
The 747 flew for the first time (gave them the space to experiment with luxury), the Concorde flew for the first time (gave them the reason to) and airlines were deregulated in the US (gave them the ability to).
With deregulation airlines now had full control over their ticket prices. More and more of the business people were just paying the tourist class fare so they had to do something. It began by just physically separating the passengers. Full-fare passengers in front. Some began to blocking out the middle seat next to the full-fare passenger. They built cabins with nicer seats. But airlines avoided first class. Most focused on capturing that middle tier of traveller because the Concorde was going to be the first class plane for the rich and famous, regular planes would be the business and economy class. The Concorde failed. Normal airlines slowly reintroduced first class to subsonic planes. Only 6 airlines flying transatlantic have a first class cabin. The difference between economy class and business class is huge but the difference between business class and first class is just a bit more room and some better

food. It's a huge cost to run a first class. Putting in more business class instead of first class makes more money.

- Pretty much no route has the premium demand to fill a plane full of business class. So there is economy and business class in the plane.
- Everybody in economy class is just there to fill the plane.

2. How influencers have transformed modern marketing – Rachel David

- First there was the industrial revolution, then there was the mass media revolution and now we are in the digital revolution. Advertising stayed relatively the same for about 50 years until the internet and social media came and disrupted it.
- Important: platforms like YouTube, Instagram, Facebook... On top of these platforms we have influencers. An influencer is somebody who consistently post stuff online, it can be in the niche of their choice. (Beauty tutorials, comedy sketches, vlogs...)
- Influencer marketing is a 4.5 billion dollar industry and it's projected to be a 10 billion dollar industry by 2020.
- The problem is: it's the Wild West considering regulations, procedures...
- Rachel David, she runs a company named Hashtag communications, it's an influencer marketing company.
- Each place in the world deals with influencers a little bit differently.
- She believes that influencers are really applicable to anyone trying to get attention on anything. She read a stat that 70% of purchase decisions by Millennials are made from a peer recommendation. She read a stat that 60% of in-store purchase decisions are influenced by something that someone has seen on a social media post or a blog post. On average Millennials are spending 9 hours on social media a day.
- Nick and Alex → founders of Hi Smile, it's a teeth whitening product
They used a very millennial approach for their marketing, they started off by using this mid-level and micro influencers, they started generating more sales and eventually they were able to save up enough money to do a brand deal with Kylie Jenner. Their sales skyrocketed.
- What is the difference between a celebrity and an influencer? Relatability, influencers are uncensored and they are unscripted and sometimes they just drop the f-bomb.
Kylie Jenner is not famous for singing a song, she's famous for her personality. Yes it started off on a reality show but then she took that and she started posting consistently online to the point where millions of people followed and loved her.
- Only 3% of consumers are influenced by a celebrity endorsement when it comes to their product purchase decisions. This makes sense because you want somebody who looks like you to promote the product.
- Building a personal brand today is more important than ever when it comes to things like accessibility, opportunities, job employment...
- Before Rachel David had her company she made YT video's so when she started her business she already had a client base who trusted her, she didn't have to spend money on marketing.
- How do you grow your audience? Utilize influencers (shout outs) for example.
- Generation Zed? On the regulation front we are putting stricter rules in place.
Example: #ad #sponsored
- You're only allowed to market to kids like 20% of your program.
- We still have a long way to go concerning regulations (it's still the Wild West)

- There's a stigma that these influencers gain too much money. 99% of them do not. Not only did the advertising industry change the entertainment industry changed as well. When you're now looking at a post from an influencer, he/she is getting two for one for a fraction of the price. He/she has to film, edit, make up... When you like a sponsored post, this is what the brand is looking at. Just like their post and you are helping these highly creative people build their lives so they can make more content for your enjoyment.
- Conclusion: Influencers they are not going anywhere, stop picking on your kids, support the influencers in your life

3. Ronalee Zarate, Hershey's - &THEN17

- Data is meaningless. Data without actionable insights is meaningless. We can't just capture the data, we have to sift through the noise, we have to uncover the key insights and we have to make the right decisions that are going to drive our business.
- Data will still grow in the next few years. 90% of the data today was developed over the last 2 years. It's important to actually master what Big Data can do for you.
- It's often overlooked sibling what we're calling little data or everyday data.
- Technology is constantly disrupting the consumer's lives, their behaviours and their expectations. Marketers have to pivot all the time. It's not enough to just uncover the insights and act against it but the marketers that win are going to be those that are going to be agile and be able to pivot in order to quickly meet the needs of our consumers.
- Marketing in moments, these moments define their experiences → their memories → their behaviour. Neurological advances are changes the behaviour of customers but they are also providing marketers with more data to actually transform the marketing models and the way they connect with their consumers. Connect with them in the moments that matter to them.
- Customers spend more time on digital media. Traditional models of bombarding customers with the same message is no longer effective. Mobile device → choose your own adventure.
- Social has become a broadcast medium. Marketers access greater distribution, greater reach but that doesn't mean that broadcast is always social. This is a complex space, you have to understand the nuances around it. The nuances around the micro segments that fall within social media, the nuances around the individual platforms and around the need states of why they are going there. Only then you can actually craft how you show up as a brand and become relevant to your consumers.
- We are competing against everything that is out there.
The job as marketer is really hard (attention of customer drops)
- Traditional marketing model is gone, marketers have to adapt. It's about constantly pivoting and changing with the world. The fundamentals of marketing stay. But constantly lead the charge of bringing data into the centre of creativity. Data is foundational. The world is moving so fast → stay in tune with the data that is underpinning the insights.
- Example: launch of Reese's Pieces cup → it leaked out in the public before they had a communication plan ready to go. They took it as a gift. Power of data and shaping strategy. Example: Reese's tree for the holiday season. Very negative respond. 'They don't look at tree's'. So to fix this as a company you build a strategy around that, you uncover the insights around your consumer, you go deep into your brand and you understand what is happening in culture and you bring that all together. #alltreesarebeautiful

- 3 pillars from Hershey's: connect their way, communicate from culture and context, plan agility → for this you have to dig into the insights.
- 1. Connect with consumers their way. How can you show up as a brand in a meaningful and native way? Millennials want branded content, but you have to be funny, brief, entertaining and relevant to who they are.
- 2. Communicate from culture and context. This means understanding your customer intimately, understanding what is happening in culture that is influencing how they act and feel... All we can do is put out the content in the most relevant way and hope that the consumers experiences shape the story that you want to tell. Understand what they want.
- 3. Plan for agility. You can plan to be ready for the unexpected. This days real and fast beats perfect and polished. Example: KitKat. A thief broke into a student's car but only stole the KitKat. He shared it on social media and it was trending. Hershey's reacted by sending the student a lot of KitKat's placed in his car.
- Innovation. Reinvent yourself as a company. You got to learn forward and evolve quickly. As a marketer you got to look at the data to know when it's time for you to play. When it is time you've got to be ready, you've got to experiment and innovate along the way. Example: snapchat is constantly changing. Reese's game on snapchat. They are understanding what is happening with their consumers and preparing themselves how they should show up as a brand. Other example: Musically. They launched one with a rapper singing their KitKat jingle. They allowed the consumers to participate in this campaign.
- In order to win as a modern marketer, you've got to unlock the power of data, you've got to find the relevant insights and you've got to leverage this in order to define the unique value proposition that will distinguish your company from your competitors.
A marketer who can harness the power of this new world, who can listen to the data and who can unlock fresh perspectives will be the marketer that will win the hearts and minds of our consumers.

4. Inbound Marketing – Brian Halligan & Dharmesh Shah (HubSpot)

- **Brian Halligan**
- HubSpot 10th anniversary and also the 10th anniversary of the inbound movement.
Foundation of HubSpot: they got a lot of advice, it was very consistent: focus on the marketer, they did exactly the opposite of what everybody told them to do. They studied how humans actually bought and chose products. Marketers have to change their methods to how the humans actually buy today. He was very much inspired by David Attenborough. David is a world class anthropologist. He likes to get up close in personal. They wanted to copy him. The guy from the video likes to get personal with their subjects in the natural habitat. He likes to study human behaviour, how human shop.
- 2016 buying process: it's amazing how the prospects developed.
1. Choices. How many choices do they have? 2006: 4-5 ventures to choose from, today: 14-15 choices for a product. → Supply is up. Much lower barriers to entry. Much easier for companies to make products out of bits. Supply is up in all of our industries.
→ Demand is flat. That is very good news for your prospects, very bad news for the companies. Competition is way up. 'Today you compete for millimetres on the infinite internet shelf'. Survive + Thrive (this is our mission in 2016).
How do your buyers learn? 2006: your buyers mainly read stuff all day, today they mostly watch videos all day. Back in 2006: Google and text, 2016: video and social. He loves this

combination. We used to enjoy short videos without audio. Your prospects used to like highly produce videos. They like live videos. Today your buyers they are looking at a lot of contents. How do your buyers collaborate? Back in 2006 your buyers were looking social media. Today your buyers are in love with social media. They live inside social media sites. You have to market in social media.

How do they find you? Back in 2006: google helped them find the answer, today google just gives them the answer. Google has pulled off Ask Jeeves' vision. Your prospects are clicking on ads. The ads are more expensive, more money in it. There is a lot of going on with ad clicking. 1994: pay per impression, 2002: pay per click, 2016: pay per lead.

'Software is eating the world' 'Zuckerberg is eating the world' 'Your success is about the width of your brain not the width of your wallet' Today: 'Your success in marketing is about the width of your brain to the wallet power'. Paid marketing and content marketing are a very good combination.

How do they research you? 2006: website augmented your sales wrap behaviour, 2016: the sales wrap augments the website behaviour. Prospects expect automation and self-service. PERSONALIZED, AUTOMATED, SELF SERVICE AND END-TO-END.

- Advice for modern marketers: 1. Stop looking for that blogger, start looking for that videographer. 50% of your content next year shouldn't be text, it should be video. 2. Live in social. B2H marketers → business to human. 3. Accelerate content. Get a great medium post. Repurpose your content for Snapchat, Instagram... for everything. 4. Automate buying. They want a self-service experience.

How do they engage your reps? Your prospects hate cold calling. The cold call is dead. In 2006: email is on every screen. Now not anymore. Email is not dead, it is still alive in a way when you put a lot of work in the email and don't send 100 emails a day. Context is king. Email is still alive, when the context and content is right. It can still start a sale. Trials. 2006: people expected to get value after they purchased your product. In 2016 they expect to get value before they purchased. You have to give your prospects a little taste before they buy. Quote by Alec Baldwin 'Always be closing'. → it should change in 'always be helping'.

Advice for modern sellers: 1. Email. Less is more. 2. Cold calls. Non is more. 3. Trials. A taste is more.

How do they decide? 2006: most of the decision making process was with the sales rep., he had the information and the power. 2016: 1. Sales rep still have a lot of power but they come much later in the process. Half of the time in the marketing content, half of the time with the sales rep. 2. Customers have a lot of power on the sales. So many of the customers have informal networks, they talk to their peers about your product. Most of the time they buy your product due to the network. Word-of-mouth referrals.

1. Your sales commission plan = your customer success. Commission them on your customers' success.
2. Your pricing model/plan = your customer success. As your customers do better, you do better.
3. Your revenues model/recurring revenue = your customer success.

What really pisses him off, all they want to talk about is how they extract revenue/ value from their customers. They should ask themselves how they add value to the life of their customers. Add value >> extract value.

- Advice for modern CEOs: 1. Your customers are your first and most important channel. 2. Get violent alignment. 3. Add value > extract value.
- List of 500 largest companies of the US in 2006. How many are left in 2016? 298

Terrible time to be a huge company. The internet is changing the way customers behave and buy. 202 new companies. It's a great time to be a small company. Change is the enemy to big companies and the friend to us. Let's embrace the unknown.

- **Dharmesh Shah**

- Bryan plays a social anthropologist, Dharmesh is characterized as an anti-social technologist.
- There have been several major waves in technology that have helped drive growth. He likes to focus on things he expect. 'Unexpected things that happened + expected things that (I predict) will happen.'
- 1994: the Netscape browser was relieved. Then there came search engines. Something unexpected happened. Google = search. 3.5 billion searches a day. Why did Google win? They were all looking at the same data but they analysed it differently. But Google has the link graph. It's all about inbound links.
- Facebook also has a search engine. 2 billion times a day it is used. Facebook has the social graph, they know who your friends are, they know all the data in the social graph. The data that FB has is private. Amazon has the product graph. They know what and when people buy. Where we go to search is changing. Where we are when we search is changing too. Search will be everywhere. Search in your dining room, in your car, in your head *using wireless devices... One thing he is expecting not to change. The way to win at S.E.O. is to focus on H.E.O. = human enjoyment optimization. Solve for the humans. Google has the engagement graph. They don't only have data on the web pages but also on the people that they engaged.
- Every blog article published will someday be auto-converted to audio. Some people don't like to read, they like to listen. Audio is so popular because we are on the move. Next big wave: the smartphone. The smartphone taught us to touch and swipe. It's all about the apps. Over 80% of time is spent in mobile apps (instead of the browsers). People use mobile apps a lot. But probably not yours. They are using the top apps.
- So what are we spending our time doing on a mobile? We spending a lot of time messaging other people, we are spending even more time watching other people type back. Top 4 messaging apps have more users than the top 4 social networking sites. Facebook messenger has over a billion users now. We are not just messaging in our personal lives, we are messaging at work with applications like Slack, Microsoft teams, Facebook Workplace.
- The shift to messaging. What does it mean?
 1. In a world of messaging you can't buy a list and blast it. Inbound marketing and the world of messaging is no longer optional it's mandatory. With messaging you can now earn trust and build stronger connections. Focus on adding value. Messaging triggered something unexpected → chatbot. It's a software service that can be used to interact via text, voice and other forms of conversation. Are chatbots going to be the next big thing? He thinks they are going to be the biggest wave we have seen in technology in the last 2 decades. Because we can now have natural conversations with software. Chatbots allow our interfaces with technology to be natural. We don't have to translate what is in our heads. It's not human vs. bot, it's human to the bot power. They amplify what you can do.
- HubSpot Labs: it has been building a chatbot. The Growthbot: the chatbot for marketing and sales. It's software you can chat with over messenger, over SMS... You just go to your messenger app and you just send a message. It's that easy, you send a message to Growthbot. You just send a message as like you have a digital assistant. Ex.: show me some law firms in Boston that use google apps. Growthbot comes back with a list.

- Bots can do more than just answer direct questions. They can work in the background on our behalf. Example: it can update the CRM by asking you questions (Other examples in video).
- Opportunity for bots to help your customers. Decades ago businesses started building websites. Why did we start websites in the first place? We did it to help our customers. Soon they will start building bots. They won't replace the website, but they will power them. We do this to help the customer because they have questions.
- Shortest distance between two points is a straight line. Shortest time between a question and an answer will be a bot.
- Artificial intelligence = when computers have the ability to do things we thought required human intelligence. It's going to be less artificial and more and more intelligent. The most relevant thing from AI for businesses is machine learning = A type of AI that provides computers the ability to learn without being explicitly programmed.
- Ex: we have this spectrum. On one end we have 'do this and then do this...', other end: 'this is the goal, here is the data that we have, figure it out'.
- 1. Machines will be much better matchmakers, connecting leads to the perfect sales person. We should have a match.com for the leads that looks at all the data from the leads. We should also look at all the data from the salesperson, what are his/her talents?
'We will have autonomous, self-driving vehicles' → Musk
We will have autonomous, self-driving marketing automation. When we create a marketing automation campaign, what we are really doing is trying to decide what we have to do next when we have all these inputs. Should we send an email? Should we wait? Machines are going to be better at figuring these things out. It's just a matter of time.
- The challenge will not be the algorithms, it will be having centralized data. You need the data to be in one central place. That's what gives machine learning the learning part. There is no learning without the data.
- Recognizing change is one step of the cycle HubSpot goes through. Step 2 is to productize. Can we build software that helps companies embrace that change? Step 3 is to democratize. How can we take that technology and make it available to the most number of businesses possible?
- Now we can just ask for what we want. We can now make a wish for what we want. And sometimes, magically, it's granted. The opportunities are infinite.

5. The Zero Moment of Truth – Google

- Marketers have been using a three step mental model of marketing for a long time: stimulus like developing a TV ad, shelf focusing on point of sale which has been historically called the first moment of truth and experience people take the product home and experience it. This last one is the second moment of truth.
- They investigated this theory. They conducted a comprehensive study with research partner shopper sciences using 5000 shoppers across 12 categories. The goal: show where influence takes place as shoppers move from undecided to decided. They found that the average shopper used 10.4 sources of information up from 5.3 sources in 2010. They asked shoppers what sources they used to make decisions, when they used it and how influential each source was. When they lined up their responses a fourth step appeared in the marketing mental model → the zero moment of truth. This is when consumers do their research, get smart about alternatives, read reviews, look for coupons and comparison shop all before going to the shelf. When they compare the steps the zero moment of truth pops up as highly

relevant and influential. Consumers have changed the way they have approached decision making.

- There's a new mental model now and marketers can now keep all these steps spinning, gained a very competitive advantage in today's marketplace.

6. Nike Marketing Strategy: How Nike Branding Flatters Athlete Egos

- Nike is doing an amazing job in making an international brand that appeals to most everybody in the entire world.
- We all believe 'I work harder than anybody else, I never give up, I am so incredibly tenacious', this is something universal. We all believe we are smart. This is where Nike has done an amazing job. This feeling works for everybody. It works because every one of us believes that about ourselves. It's the emotion passion we have.
- There is a five step formula for everything that Nike does. Not every add does all five but they do at least a few.
 1. First to the challenge. 'I'm up early, everybody else is still in bed. But me, I'm out here working while all the other lazy people are sleeping. I'm one of the early risers.'
 2. In the zone. I'm in the zone. I can feel it going. And then all of the sudden... I hit the wall.'
 3. Doubt & suffering. 'I can't see it through the pain.'
 4. Rededication. 'I know that I can do it. I'm going to see this through.'
 5. Victory. 'Yes I made it all the way through.'

These are the steps in any add that they go through every time.

It works because it is a universal story.

It's the warrior archetype that Nike brands with.