

Kerry: This episode of Marketing Smarts is brought to you by the MarketingProfs B2B Forum, taking place October 9th – 11th in Boston, Massachusetts. The 7th annual B2B Marketing Forum is the premier event for B-to-B marketers worldwide, they'll flock to my hometown this Fall to learn about the trends, tactics, and implementation strategies available to today's marketing leaders.

This two day event is worth your time; there are 42 sessions, four keynotes, incredible networking opportunities, a lot of fun, and more B-to-B smarts than you'll find anywhere else. If that's not enough to convince you to register, I'll be there and I'd love to meet you.

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Welcome to Marketing Smarts, a podcast brought to you by MarketingProfs. I'm your host Kerry O'Shea Gorgone. Thank you for listening.

Before we get started, I wanted to remind that if you like what you hear on Marketing Smarts, or even if you don't, you can always leave us a review on iTunes or a comment on our website. You're also welcome to reach out to me directly via email, kerryg@marketingprofs.com, or you can find me on Twitter [@KerryGorgone](https://twitter.com/KerryGorgone).

Today on Marketing Smarts I've invited Jay Baer, a well known digital marketing strategist, a sought after speaker, and a bestselling author, to talk with us. He founded Convince and Convert and has consulted with more than 700 companies on digital marketing, including Caterpillar, Nike, and Billabong.

Fast Company Magazine named Jay one of America's top social media consultants, and the Convince and Convert blog is ranked as the world's number one content marketing resource. He's the coauthor of *The Now Revolution*, a bestselling book about social media's impact on businesses of all sizes and types.

We're going to talk to Jay about his new book, *Youtility: Why Smart Marketing is About Help, Not Hype*. That book is also a New York Times Bestseller. We're glad to have him with us today.

Jay, thank you for joining us.

Jay: My pleasure. I'm delighted to be here with all my friends at MarketingProfs.

Kerry: We're glad to have you. Congratulations, *Youtility* is now a New York Times Bestseller.

Jay: Thank you very much. I'm not exactly sure how that happened, but I'll take it.

Kerry: I know how it happened because I read it and I like it, it's a wonderful book.

Jay: Sold a bunch of books, that's how it happened.

Kerry: What is *Youtility*, for those who haven't had a chance to read the book? What's the difference between *Youtility* and content marketing?

Jay: Content marketing is certainly a broader form of communication. I would say *Youtility* is a subset of content marketing in many ways. The way I define it in the book is that's it very useful information given away for free. The easier way to describe it is that it's marketing so useful that people would pay for it.

Kerry: Except that they don't have to.

Jay: Of course. They would pay for it if you asked them to, but you typically don't because it is in fact marketing. There are circumstances by which you can still charge and have it be marketing. There's an example in the book about an application, a mobile app from Vanderbilt Medical Center in Nashville, they have this really cool app called Coach Smart, which is a lightning indicator. Coaches use it to make sure that their players are safe in soccer or baseball context.

It was originally intended just for use by Nashville area high school coaches, but it's become so popular that now it's in use by lots of NFL teams and has hundreds of thousands of downloads by people that are kayakers or fisherman, because why would you not want to know when lightening is nearby. This whole idea of let's look up in the sky or listen for it is not really a super reliable method, so this app is super useful.

So much so that they recently had to take it out of the app store because the fees to access the lightning database were getting to be tens of thousands of dollars per month. So the hospital said, "Time out, people," and they're going to reconfigure the app and put it back into the app store as a paid app for that reason. It was so successful that they're going to have to charge for it.

Kerry: So there is such a thing as too much success.

Jay: There is such a thing as too much *Youtility*.

Kerry: The first thing that's interesting there is that you don't necessarily have to create the helpful content yourself to be useful.

Jay: Absolutely. In fact, something that I talk about a lot in presentations is that of all the things that you could conceivably create information about, your products and services are perhaps the least interesting.

This idea of Youtility really lends itself to what I call marketing sideways, where you find a way to get involved in your customer's lives that transcends the transaction. It's not about your products and service necessarily, but it's related.

The hospital is trying to develop a larger share of sports injury and sports injury prevention business. Having an app that was initially intended for coaches does that, but it does that in an indirect way. The obvious play would be, "Here's an ebook about how to prevent concussions." That's good content and it is in fact a Youtility, but it's not terribly interesting. Doing a lightning locator for coaches is more interesting and it allows you to get involved with customers in a way that's beyond the mundane.

Kerry: People who have been in the business a long time remember when the sales funnel looked very different. You mention in the book that people actually get 60% of the way through a buying decision before they ever consider calling you or contacting a salesperson. Are there still people who don't appreciate that that's changed?

Jay: Huge. Because we believe what we can see. What I talk about there is that Youtility and this trend of self-serve information where everybody now researches everything to death because they can, there's no friction or impediment toward learning anymore. When you have high speed internet access in your hand at all times, you're going to look stuff up, because there's no reason not to.

If you make a bad purchase decision now, if you buy a bad chicken sandwich, a bad house or a bad car, you're just lazy because all the information you need to make a good decision is literally right there.

Consumers are figuring this out, but we believe in what we can see. We can see leads. We can see once somebody raises their hand and says, "Yes, I want to get your email," I want to download your ebook, I want to sit in on your webinar, I want to have a sales rep contact me. Whenever they raise their hand we can see that. All the things that are happening below the water line are largely invisible and, consequently, we don't pay enough attention to them.

The reality – and the data backs this up – is that the significant majority of your customers, most especially in a B-to-B context, are shopping you right under your nose. They're ninjas, they're kicking the informational tires without you even knowing it. So if you're not providing enough information to those people on your website, you need to get that fixed ASAP.

Kerry: Frankly, it surprises me that more businesses don't realize that, because obviously we're consumers as well as business people. I avoid contacting them until the last minute, so I get it.

Jay: Right. Everybody in ever has said, "I'm interested in these guys, but I'm not going to fill out this form because I'm not ready to be hassled." You don't want somebody to email, you don't want somebody to call you, because then it intrudes on your time.

The bigger trend here is this move towards asynchronous communication instead of synchronous. For us to have a telephone conversation, for us to record a podcast, for us to have a meeting is a pain in the ass for both us because we have to coordinate our schedules. In today's environment, especially in a business environment, that's easier said than done sometimes. But if we can communicate asynchronously, where I send you a message via email, Twitter, or something else, and you send me one back eventually, that's easier for both parties.

That's why, when you look at the data, the amount of time being spent texting is going way up and the amount of time spent calling is going way down, because it's just easier. My son, who is 12, and I'm not being alarmist about this, I'm not certain that he knows how to use the telephone feature of his phone. I think that kid has made maybe one phone call in his life.

You start thinking, "What's the next 10 years going to be?"

Kerry: I'm concerned. I have a seven year old and a five year old, and I'm pretty sure by then we'll have some kind of direct mental communication.

Jay: I'm putting all my money in telepathy. I'm an angel investor; if anybody has any good telepathy startups, please call me and I'm in.

Kerry: One would think that potentially larger purchases would require the kind of personal handholding that we've been accustomed to in the traditional sales funnel, but even that's not true. You talk about that in the book. Major purchases are being made through self-serve information.

Jay: If you provide sufficient information so that all the questions that your prospect might have are answerable in a self-serve context, people will make major purchases online without having an interaction with a real person.

Think about BlueNile.com, for example. Blue Nile is the largest seller of loose diamonds in this country and you can buy a \$50,000 engagement ring online. I bought my wife a 20 year anniversary ring recently from

a similar site and I never saw it, never talked to anybody, never even emailed anyone. But I researched it to death and they have this incredible database, so if you want to figure out the right diamond for you, all the information is there.

eBay Motors is, I think, still the largest seller of used vehicles in the country. Most of those transactions are done without any face-to-face experience, and usually without a telephone call. Maybe a couple of emails here and there.

Here's a funny way. I did some consulting for a company called Equine.com and they were the largest seller of horses online in the U.S. Who would buy a horse online? They sold, no joke, hundreds of horses every month on this website.

Kerry: Some of those horses were probably mean and you didn't realize it.

Jay: Right. They had this whole interesting ranking system. Again, because people will only make major purchases if their questions are answered. It was almost like baseball cards. They would have rankings of how skittish the horse was on a one to 10 scale, how good of a jumper on a one to 10 scale, how good it was with kids on a one to 10 scale. There was all this other information there to help you make a decision.

Kerry: So people really will do about anything to avoid talking to a salesperson nowadays.

Jay: As long as they feel like they're informed. We contact a salesperson when we get to the end of the informational rope, when we're like, "I can't find any more information, but I still have questions. I guess I'll call them or fill out the form," because that's the only avenue at your disposal to get your questions answered.

Salespeople have to totally change their rap as a result of this, and they're not. What happens is when you contact a salesperson, most of the time, is when they get back to you they assume that you're top of the funnel so they start off with this very general information about their features and benefits, etcetera. They're not recognizing that you've already done all of that research, you have a very specific couple of questions left and otherwise are ready to buy.

When 60% of the decision is made before you contact a sales rep, the sales reps need to approach with that in mind as opposed to how they usually do it, which is the assumption that 0% of the decision has been made. They end up wasting your time, which just makes this a self-fulfilling prophecy, "Sales rep gives me a bunch of information I already knew, ergo sales rep is wasting my time, ergo the next time I want to contact a sales rep even less."

Kerry: Exactly. I actually had one sales rep that did a good job where I had done all of my research in advance and we went to look at a car. My

husband is a tall guy, not comfortable to sit in a car. There was another car on the lot that was a little bit bigger, but we hadn't researched that one. She let us sit at her desk and research on the same site that we had used for the other car.

Jay: Nice.

Kerry: She was very tuned in.

Jay: It's great that you mentioned that. Automotive is the category, along with perhaps travel, that have been changed the most already by self-serve information. I gave a speech to a conference of 3,000 car dealers, owners of car dealerships. They were telling me that it happens every day where people walk onto the lot and they literally know more about the vehicle than the guy trying to sell them the vehicle. That puts the sales rep in a very interesting position. What is your value proposition at that point? You're in charge of paperwork? What exactly are you doing then?

That same concept where customers know as much as the employees is going to infiltrate most industries, if not all, not just automotive.

Kerry: You mentioned that the companies that really get it right, in whatever industry, effect consumer expectations and therefore it spills over into every industry.

Jay: Absolutely. This is sort of my cranky old man soap box, having been in digital marketing for 20 years. I hear this all the time, obviously you hear this all the time at MarketingProfs, "This case study isn't relevant to us because it's not B-to-B." or, "This case study isn't relevant to us because it's not financial services."

You know what? It's 100% relevant, because especially big companies, noteworthy companies, how they act and how they behave changes customer expectations and those expectations are very much valid and applicable to your industry regardless of what it is.

The example I use in the book, if I recall, I used to be in the web strategy business and to some degree the web design business back in the early days, and I remember quite clearly when Amazon, which just started off selling books, started to get bigger and selling more categories of things they had to fundamentally redo the navigation on the old Amazon.com. At one point they decided to allow you to browse categories with tabs, so there was a tab system on the top of the webpage. Amazon was such a popular and big site back then, it really led the way in ecommerce, as it does now, that within six months you had hundreds of ecommerce sites using tabbed navigation.

It doesn't really matter if you're a direct competitor of Amazon, it doesn't even really matter if you're in ecommerce at all, navigating to

deep content via tab almost became a standard just because they did it first. The same thing is true with self-serve information, the same thing is true with Youtility. It doesn't matter whether somebody in your category is doing it, it matters that it's happening in companies like Coke and McDonalds and all the other ones that we talk about in the book. Eventually it will trickle down to the local plumber or whatever circumstances you happen to have.

Kerry: I was really interested in McDonalds Canada and how they were answering pretty uncomfortable pointed questions about the nature of their food.

Jay: It's one of my favorite case studies in the book. The program is called Our Food, Your Questions. If you are a Canadian you can ask any question that you want about McDonalds food of McDonalds. Tens of thousands of questions have been answered, millions upon millions of questions have been read.

As you said, these questions are not softballs. One of my favorite examples, in fact I just changed my presentation to include this actual file, somebody asked on a lark, "Hey McDonalds, what's in the secret BigMac sauce?" I believe that the assumption was that they would say, "It's a secret," or, "If we told you, we'd have to kill you," or something like that. Instead, McDonalds had their executive chef shoot a three minute video that shows you how to make BigMac sauce using your own household ingredients.

So if the company that actually owns the world "secret sauce" doesn't have secret sauce, this notion that somehow you can't possibly tell people how you do your legal consulting or whatever the hell you do is a little bit ridiculous. You have to open the kimono, you have to give away information snacks to sell knowledge meals. It's still a big problem for professional service companies who are still so concerned that they're going to give away their amazing trade secrets if they write a blog.

Kerry: McDonalds obviously has a huge budget and a large sizable staff who are putting together this custom forum, because that example is their forum. Other companies answer questions across networks, but again that requires staffing. How can small businesses compete with larger organizations by becoming a Youtility?

Jay: It's interesting you say that. McDonalds in the U.S., for example, does not have a similar questions program, but they answer questions across networks; Twitter, Facebook, etcetera. I've interviewed McDonalds' social media team on my podcast and they've said, "We can't get them all, there's just too many. There are thousands a day. We can't answer every question, it's just not possible, so we pick the best ones."

It's a challenge for big companies. That's where small companies have a real advantage. Yes, they're resource constrained in many cases, but they're closer to their customers, so inherently they know more about their customers in their real lives and thus can create utilities that are more interesting because they have insight into their customers, not just data about their customers.

This doesn't have to be a fancy complicated process. The best example is from River Pools and Marcus Sheridan from The Sales Lion who was kind enough to write the forward for the book, before he became a marketing consultant he co-owned a swimming pool company in Virginia and they almost went out of business in the recession, because when you can't afford food you typically don't want to buy a pool.

They said, "We're going to go out of business unless we can find a way to get some extra market share. But we don't have any budget. What if we just answered every question that everybody has ever asked us about pools?" Nobody had a better idea, so that's what they did. They created a blog and wrote 400 blog posts on nights and weekends. Every blog post answered an actual question that they had been asked in the previous few years about pools.

They now have more than 1,000 posts on the site and revenue is way up, profit is enormously up because they've cut their marketing budget almost to nothing, and they now get more website traffic than any other swimming pool website in this country, including the manufacturers.

What they did, and what all small businesses can do, is worry less about selling better and worry more about teaching better. In every single category, in every single town, one company will eventually be the one that devotes their energy toward education, and someday that company is going to eat everybody else as lunch.

Kerry: When you consider it from a more holistic perspective, the people that they end up ultimately visiting for house visits – I was reading the statistics from that particular pool company case study, it's really powerful – when they arrived on site the people were actually so informed that they didn't have to go through their spiel, everyone was on the same page, and they could ultimately make more sales calls.

Jay: Oh, yes. And it reduces how long you have to be in somebody's house. When they've already read all the information, like we talked about earlier, you just show up and say, "When do you want to start? What day should we put in the pool?" It becomes a much different type of conversation. You're not convincing, you're just working out the details.

Kerry: In the course of your consulting, have you come across a business that was really struggling to find a way to be helpful? How can a company find inspiration if they just can't seem to find that big idea?

Jay: It doesn't necessarily have to be a big idea, but you do have to give yourself to make the story bigger. The best utilities are those that transcend the transactional, as I mentioned.

One of my favorite examples is from Columbia Sportswear. Columbia makes outdoor gear – jackets, pants, hats and stuff. They have this really cool mobile application called What Knot to Do in the Greater Outdoors, and it actually shows you how to tie knots. It gives you animated demos on how to tie knots on your phone. If you're camping or hanging off the side of a cliff that is a massively useful piece of information. If you are recording a podcast, perhaps less so. I'm not in the market for knots right at this time, but eventually I will be and I know where to get it.

What I think is most interesting about that is that Columbia Sportswear doesn't sell rope. They're not in the rope business. Yet they're creating a Youtility that their customers, who are typically outdoorsy, can use. So it's that marketing sideways approach.

It doesn't necessarily require a big idea, it requires customer insights, it requires understanding the lives of your customers beyond just which of your products or services they prefer. That's why I think small companies actually have an inherent advantage, because they typically have a better feel for that.

Kerry: Do you continually run up against the return on investment with this? Marketing sideways, and it's really a long process, can result in sales months or years after the fact.

Jay: You totally nailed it. That's one of the challenges of Youtility in companies. One is the measurement side. Two is sort of the operations side, like who is going to be in charge of this and how do you actually get it done.

There's no question that this requires a cultural shift in your organization and a lengthening of the historical time horizon by which you measure marketing success.

As Gary Vaynerchuck said the other day at an event, "The problem with marketing today is that everybody wants to be a hunter and nobody wants to be farmer." *Youtility* is really a book on how to farm. You have to change the way you think in the organization from, "Hey, here's coupon, buy in the next 10 minutes," to "Hey, let us help you and you will connect those dots eventually and

you will eventually reward us with attention, sales, loyalty, and advocacy.” But it takes time to do that.

The last part of the book has a lot of information about measurement and how to actually calculate ROI and what to do if you can’t calculate ROI, how to do correlation studies and things like that. I’ve tried to cover as much of those measurement bases as possible, because as a consultant I know how important it is to be able to prove the point.

One thing that often gets overlooked is that if you want to do something measurable and you want to be able to measure your marketing, you have to actually do something measurable. A lot of times people create a lot of content and do all these marketing programs and say, “What are the results?”

Did you have a clickable URL? Did you have some sort of cookie? Did you have some sort of inherent tracking behavior? No? Well, then there’s only so much I can do for you at this point.

The measurement and how things get measured has to be sorted out before you start, not after it’s over. That’s a big challenge for a lot of companies.

Kerry: They’re still a tendency to want to hide the ball and only be helpful when it involves your product.

Jay: Yes.

Kerry: So how do you convince people that being helpful more generally is worthwhile?

Jay: Trojan Horses are the enemy of Youtility. If you say, “We’re useful. But, what we’re going to do is in the middle of this Youtility we’re going to put in a coupon.” When you do that it changes the entire perception of what it is that you’re doing.

As Joe Chernov said in the book – Joe is a wonderful marketer, he used to be at Eloqua and now is at Convey – he said, “One of the things that really works is when you give away so much value and you purposefully do it for free and don’t gussy it up with a lot of calls to action and coupons, it almost shocks people into valuing it more and into sharing it. He’s exactly right about that.

I talk about a story from Clorox in the book. Clorox has a really cool Youtility called the My Stain Helper app that shows you what to do when you get common stains. If you spill ketchup on your polyester pants it shows you what to do about it. We chronicle in there that they had all these conversations internally about “should we put coupons in the middle of this application, should we turn it into a revenue generator.”

They really kicked that ball around for a long time, but they realized that if they did that it would be perceived totally differently. So they decided not to. They had the courage to say, "We're going to trust that our customers will figure this out eventually and that they will reward us eventually." There's no question that takes real courage in organizations, especially those that have been trained to think day to day, as we all have really.

Kerry: I love the authenticity of providing solutions for stains that don't involve Clorox, "We're not particularly good at getting butter out, so here's how you can get butter out."

Jay: I love that. That's the other thing that they talked about internally, "Should the answer to every stain question be Clorox?" They said no because if that's always the answer then we really lose that perception battle, then it really becomes a Trojan Horse. So they purposefully built into the application and the corresponding website that if you try to Clorox on butter it makes it worse. They really went out of their way to make sure that it's balanced.

That's really a best practice to adhere to if you can. Again, doing that kind of thing takes courage, especially in big companies.

Kerry: It's funny that they called it My Stain, because when there's a stain on something I'm usually like, "I don't know how that got there. I don't know what happened."

Jay: Hidden stains.

Kerry: Youtility from the book clearly looks different for every company that you mention, from large organizations to even solopreneurs. How should companies go about finding the right approach for them?

Jay: I think it goes back to that customer insights piece. Blank sheet of paper here. Here's what we sell in one column. Middle column is who actually buys from us, what are our persona types. And then what do those people need. What's their life like, outside of buying from us what other things are they interested in, what kind of things do they need to know?

I was telling you about that speech I gave to the car dealers and in that presentation I looked at a lot of car dealer websites and online content programs. As an industry, they are terrible at Youtility. It's always the hard sell, it's always "here's our new model, here's the used cars," all kinds of pop-ups with live chat, all that kind of stuff. It's just really not very useful.

I found a really great info graphic from a locksmith company that said, "Here are the things to look for when buying a used car." I said, "Here's a locksmith, you guys are being out-marketed by locksmiths." No offense

intended to locksmiths, but you have 3,000 automobile dealers with tons of resources and they're being out-marketed by locksmiths, this is ridiculous. I said, "Whoever here can make me a viable, useful info graphic, I'll send you a bottle of tequila."

Two weeks later the Fowler Automotive Group in Oklahoma sent me this amazing info graphic that they meticulously researched about what to do if you get locked out of your car. There you go, well done.

That's the kind of thing, if you're in the car business, other than cars per se, what information might people who buy cars need to know? Well, they need to know what to do if they get locked out of the car. That's a great Youtility.

Another thing they could do is do an ebook, or a Vine video, or a series of things like that to show you when you should change your tires, at what point the tread is worn out, etcetera. There are tons of things you can do once you give yourself the courage to make the story bigger.

Kerry: The tread wears out? Uh-oh.

Jay: You're in Florida, you're fine.

Kerry: It's interesting that locksmiths would do an info graphic about what to look for in a car, because there are fair few people that don't buy cars but jimmy the lock.

Jay: It was a little bit ironic.

Kerry: In the book you describe six blueprints to create Youtility. They're all clear and actionable, and they're all very different. Why aren't more businesses doing it if it's this simple?

Jay: I think it's because it's fundamentally different than the way we've all been taught to do marketing. It's not as if Youtility is massively difficult, but it is different. The vast majority of companies not only have never done something like this, they've never even thought of something like this.

To intentionally use company resources to provide information that doesn't have an immediate payback is a controversial and sometimes confusing notion. That's why we tried to make the case for that approach in the book. Then in the last third of the book, hopefully once we've successfully moved you over to the side of Youtility, we give you the recipe for doing it yourself.

Kerry: Thank you so much. This has been a really interesting conversation. Unfortunately, that's all the time we have. I really appreciate your joining us, Jay.

Marketing Smarts, Episode 90

Marketing Podcast

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Guest: Jay Baer

Jay: Kerry, thanks so much for having me. I appreciate it. Thanks for your support of the book, available all the places that books are available.

Kerry: For more information about Jay Baer's new book, *Youtility*, visit YoutilityBook.com. You can also follow Jay Baer on Twitter @[JayBaer](https://twitter.com/JayBaer).

Thank you for listening here to the very end. This has been the Marketing Smarts Podcast brought to you by MarketingProfs. I'm your host Kerry O'Shea Gorgone. Talk with you next week.