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Outside-In Marketing
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Outside-In Marketing
Using Big Data to Guide Your Content Marketing

James Mathewson and Mike Moran
To my wife, Beth, and son, John, for all their support.
—James Mathewson

To my wife, Linda, and my children, David, Madeline, Marcella, and Dwight, with great appreciation for their support for me.
—Mike Moran
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Preface

It’s possible that at this moment there are not two hotter topics in marketing than content marketing and big data. This is one of those times when what is hot is also valuable and important.

Let’s start with content marketing. Perhaps the best place to begin looking at this concept is with a definition from none other than the Content Marketing Institute:

> Content marketing is a strategic marketing approach focused on creating and distributing valuable, relevant, and consistent content to attract and retain a clearly-defined audience—and, ultimately, to drive profitable customer action.

As content marketing is typically practiced today, however, it resembles custom publishing. Companies tell stories that romanticize their brand, distributing those stories through various channels and amplifying them through social media. Content marketing has come to be more akin to advertising than the institute’s definition implies.

We have nothing against advertising, but we don’t focus on that kind of content marketing. We focus on the following part of the definition: “to attract and acquire a clearly defined audience—and, ultimately, to drive profitable customer action.”

The kind of content marketing we promote in this book has two distinguishing features: It is data driven and inbound. In a nutshell, our focus is on mining audience data—big data, if you must—and building content that will be useful in a buyer’s journey. If you do it well, you turn prospects into clients and clients into brand advocates. Because this method focuses on inbound marketing—new customers discovering you—and because it relies on messages valuable to your clients—rather than about you—we call it outside-in marketing.

Outside-in marketing attracts prospects to your digital experiences (primarily through search) and helps them answer their questions about your products or services. If you do this in a way that respects people’s time and gives them value in exchange for their attention, you can guide them through the customer journey toward purchase, adoption, and advocacy.

Outside-in marketing is extraordinarily effective at customer acquisition, sometimes bringing in four to six times the number of customers for the same cost as traditional advertising. Unlike traditional advertising, this content marketing has long-term residual benefits that can sustain a company
for years with a relatively small investment. Advertising stops finding customers the moment you close your wallet, but great content can bring in new customers years after you paid for it.

Who This Book Is For

In this book, we urge you to learn your audience, focus on how you are differentiated for them, and create content that is perfect for them. We’ve tried to do that with this book full of content. We’ve tried to make this book approachable for executives while providing enough examples and practical advice for rank-and-file marketers. But this book is clearly for marketers. It’s not that others can’t benefit, but we don’t stop to explain every marketing principle. If you’re new to marketing, you might need to Google some things as you go. If you are familiar with digital marketing, you are in our sweet spot—and we’ll help you get to the next level.

Traditional marketers might benefit the most, but you might also be challenged by many of the ideas in this book:

- **Outside-in marketing takes time.** Marketers are used to instant gratification. You buy an ad, you get results within a short time. Maybe the results are .01% of the total opportunity, and maybe the ROI is marginal. But the results are entirely dependent on what you did. To do content marketing well, you have to build for the long term. In a highly competitive marketplace, it might take months for your content to rank well in Google. And when it does, you as the marketer have little control over the results. You can’t say, “I paid for those results.” But you can say, “I built a team and empowered them to build the platform that got those results.”

- **Outside-in marketing must be transparent.** Digital audiences are skeptical. Any attempt to deceive can lead to a brand adversary rather than a brand advocate. The best way to gain the trust of your audience is to honestly give them the information they need and let them make their own decisions. Marketers are used to hyping the good stories and ignoring problems. For today’s audiences, that won’t cut it.

- **Outside-in marketing is literal.** Content that works in outside-in marketing simply does its job. It’s built in the plain language that prospects tend to prefer. It lacks metaphor, jargon, and “approved” company terminology. This is perhaps the most difficult concept for traditional
marketers, who like to hire agencies to tell stories with rich metaphorical prose and to brand offerings with catchy names. That kind of content might work for the captive audiences of magazines or television, but it doesn’t work on the web, for reasons James Mathewson explains in his book *Audience, Relevance, and Search*.

- **Outside-in marketing is in-house marketing.** Traditional marketing executives are used to taking their dollars to agencies to craft clever messages that trigger audience responses. This book is not about that. Again, we have nothing against that practice, and it might be an important part of your company’s marketing plans. But outside-in methods can’t merely be delegated to agencies. You must build the platform with talent that you acquire, train, and nurture. Agencies can play a part in the development of the teams and the platform, but you need to own it.

- **Outside-in marketing requires digital technology.** More and more marketers are embracing the data-driven methods we explain in this book, but they might struggle with the technical demands. Marketers must form relationships with developers, architects, analysts, and data scientists—the newest rock stars of how marketing gets done. But marketers can’t just pass off the understanding of how audience data flows from one system to another. At minimum, they have to understand which data is important and how marketing strategists and practitioners best use that data to build a sustainable content platform.

- **Outside-in marketing is agile marketing.** Collecting data is worthless unless you use it to make decisions. This runs counter to the impulses of traditional marketers, who are used to reviewing and approving everything before it goes out the door. As Mike Moran explains in his book *Do It Wrong Quickly*, each experimental marketing approach might be wrong initially, but you can iteratively improve it to ultimately do it right. This not an easy sell to traditional marketers, who tend to be perfectionists.

Because this method is so radical, this book also focuses on how to transform organizational culture and systems to do outside-in marketing well. The biggest culture shift is explicit in the title: outside-in. Organizations that want to do content marketing must start by listening to their clients and prospects and building content on (and in) their terms. It’s not about pushing messages on unwilling audiences; it’s about pulling willing audiences to
your messages. It’s not about interrupting the audience with messages they
don’t need; it’s about intercepting their search for the information they need.

What’s In This Book

In Chapter 1, we further introduce the concept of outside-in marketing,
and in Chapter 2 we tie the concept to content marketing. Chapter 3 is our
first foray into culture transformation, where the real work of content mar-
keting begins.

We turn to infrastructure transformation in Chapter 4, explaining how
content can be targeted to its audience. Chapter 5 goes deeper into big data,
as we align our content to specific steps in the buyer’s journey. In Chapter 6,
we tackle the role of user experience in driving customers to purchases.

The overall message of this book is that your customers have information
needs—and it is in your best interest to discover those needs. If you use the
data available to you to identify the needs that your offerings are best suited
to satisfy, you’ll be able to create content that attracts the right customers to
you.

Don’t settle for average marketing. Don’t put more me-too content out
there. Don’t bore your customers. Instead, use the data all around you to
find your voice—the unique voice that the right customers are waiting to
hear. That’s the promise of outside-in marketing.
Acknowledgments

First and foremost, I would like to thank my family, especially my wife, Beth Mathewson, and my son, John Mathewson, who endured countless hours of my absence from family events for the sake of this book. Your love and support have been essential to finishing it.

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—James Mathewson

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Most of all, I want to thank my wife, Linda, and my children, David, Madeline, Marcella, and Dwight, who provided the motivation for me to write this book as well as for everything else I do. I love them very much.

—Mike Moran
James Mathewson has 20 years of experience in writing, editing, and publishing effective web content. As the distinguished technical marketer for search at IBM, he currently leads four missions within IBM Marketing: search marketing, content strategy, video marketing optimization, and marketing taxonomy innovation. These related missions come together in the tools and education he designs to scale content marketing across the largest B2B enterprise in the world.

James is also a prolific author. As lead author of *Audience, Relevance, and Search: Targeting Web Audiences with Relevant Content* (IBM Press, 2010) (with co-authors Frank Donatone and Cynthia Fishel), he helped pioneer a new way of thinking about search marketing. Rather than seeing search as an after-the-fact optimization tactic, the book encourages authors to see search as a source of audience data. Using this data, authors can better understand the needs of their target audiences in their planning and writing activities. The book predated algorithm changes at Google, which force SEOs to follow many of its guidelines—in particular, write for humans, not search engines, but when you write, use search query data to better understand the humans you write for. James is also author of more than 1,500 articles and blog posts, mostly on the intersection of technology and content.

James has led the organic search marketing mission for IBM for five years, adding the other missions as the needs have arisen. As search marketing leader, James has built the systems, processes, and technologies necessary to govern content creation and curation across millions of web experiences worldwide. As such, he has been at the tip of the transformation spear, as the company has shifted from a traditional brand and comms marketing model led by advertising toward a content marketing model that focuses on intercepting clients and prospects in their content discovery activities.
transformation has contributed to a fourfold increase in leads attributed to
digital marketing.

Prior to leading the search mission, James was editor in chief of ibm.com
for four years. In that role, he focused on improving customer satisfaction
with ibm.com content. That entailed writing style guides and educating
writers, editors, and content strategists on how to create audience-centric
content. These efforts helped reduce the percentage of users citing content
quality as the cause of their dissatisfaction from 6% to 1%. During his tenure,
search continued to cause 7% of the respondents to fail to achieve their
goals, and so he has focused on search ever since. His first job in that capacity
was to replace the ibm.com internal search function. Within a month,
the new system went from the 20th largest to the 2nd largest referring source
for IBM marketing experiences.

Prior to coming to IBM, James was editor in chief of ComputerUser maga
zine and ComputerUser.com from 1997 to 2003. Targeting techies and
developers, the magazine was a monthly tabloid-style publication distributed
in 35 markets in the United States. Under his leadership, the publication
grew from distribution of 600,000 to 2 million per month. The related daily
website grew from its inception in 1999 to 1.7 million unique visits per
month.

James holds two master’s degrees from the University of Minnesota, an
M.A. in philosophy of language and linguistics and an M.S. in the rhetoric
of scientific and technical communication. James lives in Beacon, New York,
with his wife, Beth, son, John, and dog, Lily. Though he works at Astor
Place in New York City, he was attracted to the Hudson Valley for its many
majestic hikes and other outdoor activities.

Mike Moran has worked on the web since its inception, in both mar
keting and technical roles, including eight years at ibm.com, IBM’s cus
tomer-facing website. In 2008, Mike retired from IBM to pursue speaking,
writing, and consulting at Mike Moran Group, and he also serves as a senior
strategist for both the social media consultancy Converseon and its spin-off
social analytics company, Revealed Context. Mike is also a senior strategist
at SoloSegment, a content marketing company specializing in website search
and personalization for B2B clients. He’s twice been named one of the top
50 Internet marketers and regularly consults for Fortune 500 companies
around the world.

Mike is the co-author (along with Bill Hunt) of Search Engine Market
ing, Inc.: Driving Traffic to Your Website, now in its third edition, and the
author of Do It Wrong Quickly: How the Web Changes the Old Marketing
Rules, perhaps the first book on agile marketing. He writes regular columns on digital marketing for WebProNews and Search Engine Guide and is the founder and senior author at Biznology (biznology.com).

Mike is a Senior Fellow of the Society for New Communications Research and an Open Group Distinguished IT Specialist. Mike is a frequent keynote speaker on digital marketing at events around the world, serves as a Visiting Lecturer to the University of Virginia’s Darden School of Business, works as an instructor at Rutgers University, and holds an Advanced Certificate in Market Management Practice from the Royal UK Charter Institute of Marketing.

Mike also has a broad technical background, with over 30 years of experience in search technology, working at IBM Research, Lotus®, and other IBM software units. He led the product team that developed the first commercial linguistic search engine in 1989 and has been granted 11 patents in search and retrieval technology. He led the integration of ibm.com’s site search technologies as well as projects in content management, personalization, and web metrics. Mike led the adoption of search marketing at ibm.com back in 2001 and pioneered product search facilities that dramatically raised conversion rates. Mike was named an IBM Distinguished Engineer in 2005.

Mike can be reached through his website, mikemoran.com.
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This client meeting was not going to be run-of-the-mill.
You see, this client was one of the largest banks in the world, with a traditional approach to marketing honed over many years of using ads on top of offers that weren’t too far away from free toasters when you open your Christmas Club account. Nowadays, no banks offer Christmas Club accounts, and they don’t give away toasters, but their approach to marketing is very much the same. All banks seem to run the same two kinds of ads all the time.

The first kind is very practical: “FREE CHECKING!” (For some reason, capitalizing the words makes the offer better.) We’ve all seen these kinds of ads, whether they are hawking refinancing with no closing costs or some other money-saving idea. They all sound the same after a while, and you’d be hard-pressed to remember one bank over another based on their offers.

Then there’s the second kind of ad. You’ve seen them. Friendly tellers smiling as they take your deposit. The bank manager reaching out to shake the hand of the nervous loan applicant. “We’re the [insert one: family, neighborhood, friendly, local] bank.” (This slogan needs to be in mixed case...
because small letters are warmer.) Once again, every bank is friendlier than your Aunt Minnie, but you can’t tell any of them apart.

Anyway, all the important people were at this presentation—the bank’s Chief Marketing Officer along with a dozen minions—and they were waiting for this brand-new idea—our new campaign for their FREE CHECKING account. (Sorry about the caps; force of habit.) What they were expecting was a brand-new idea for doing the same old thing, but that wasn’t what they were going to get.

The presentation began strangely, the bankers thought, because the first few slides talked about how customers spoke about the bank and about each of the bank’s competitors. The slides showed data summarizing when customers talked about the bank in social media and what they said. This was puzzling to the bankers because what they wanted to see was how we were going to persuade more customers to choose their bank for their checking accounts. It was unclear to the bankers why they should care about exactly when customers talked about checking accounts in social media.

But it all came into focus when the presentation started to show data about exactly what kind of information was most persuasive to customers who were considering switching their checking accounts to a new bank. The most compelling information included reviews and other experiences related by other customers about how they were being treated by their bank. More than any other kind of information, the data showed that the best predictor of whether a customer would switch to a particular bank was how many positive experiences they read about from that bank’s existing customers. So the data suggested that the bank find an answer to the question “What is the most effective marketing strategy to get people to switch their checking accounts to our bank?” The data reveals the answer: Get happy existing customers to post their experiences.

As the presentation was about to turn to the wondrous array of ideas that would persuade customers to share their experiences, the CMO interrupted with his assessment of the presentation: “Okay, so we need to get happy customers to post their experiences. But how is that marketing? That’s customer service!”

And so it is. In part. But it is also reinforcing through marketing that customers have made the right choice. It involves explaining the additional services that let customers bank online, such as text messages when their balance gets too low, crediting their paycheck deposits immediately, and five other things that they might not know about. There were dozens of ideas in
that presentation about how the right kind of marketing content, delivered to the right customer, at the right time, could persuade them to share their experiences.

Those ideas weren’t ads. They were content marketing campaigns. They were emails that explained how to avoid identity theft. They were microsites that help balance a checkbook. They were videos that explained how to tie your checking account to Quicken. They weren’t ads. They were crafted pieces of content that were helpful to customers. In many ways, these ideas weren’t very different from the blizzards of pamphlets every bank surrounds its tellers with—but in this case, the content was being found before anyone went to the bank.

The CMO wasn’t entirely convinced at first, but he was open-minded enough to give it a try. Most of the ideas didn’t work, but a few of them did. We knew which ones worked because we measured the results. You see, we had a lot of good ideas, but we had a lot of bad ones, too. We didn’t really know which content ideas were the good ones until we let the data tell us.

And that’s what this book is about.

It’s about a different kind of marketing—content marketing. People can define content marketing in many ways, but it is certainly not your father’s advertising. Content marketing is informative, entertaining, and helpful. But great ideas for content aren’t enough. Who decides they are “great”? The customer decides. How do we know the decision of the customer? Data—the more the better.

Content marketing and big data go together like FREE and CHECKING. Content marketing provides value to the customer even if the product is never purchased. Big data provides the feedback loop that determines which content is really working.

We call this outside-in marketing because it begins with listening to clients and prospects and understanding what language resonates with them. It then uses this data (okay, big data) to help craft compelling, useful content for those audiences. Only after the content is published do you know if it really worked. But it will never work if you don’t listen for the needs of your clients and prospects and then develop what they need.

It rarely works to push inside-out FREE CHECKING!–style messages on an audience. We have found through hundreds of client engagements that outside-in marketing is just more effective. This book will show you how to transform your marketing organization from an inside-out model to an outside-in model.
What Is Outside-In Marketing?

Outside-in marketing is the practice of learning the language of your clients and prospects and building messages for them on (and in) their terms. This might seem like an obvious thing to do, but until recently, it was rarely practiced in industry. Typically, marketers have sought to differentiate their products by branding them with clever names and marketing them with novel messages. Let’s call this inside-out marketing, to distinguish it from what we are attempting to promote in this book.

If you’ve ever suffered through a radio commercial at three times the normal volume for a local car dealership where the announcer races through three minutes of script in 30 seconds, you’ve experienced inside-out marketing. One of the biggest goals of inside-out marketing is to get attention—to get the audience to wake from its reverie to actually listen, watch, or read the message in front of them.

Inside-out marketing worked in the days of captive audiences, who passively watched TV or read periodicals. Perhaps it worked when events were the center of marketing campaigns and those who attended events were captivated by pomp and circumstance. But inside-out marketing does not work in digital media. Digital audiences are not captive. They are in control. They reject attempts to spam them with information they don’t want. Any attempt to do this can do more harm than good.

If you want to be effective in digital marketing, you need to engage with clients and prospects on their terms. You need to build trust with them by providing the information they need when they need it. And you need to continuously prove to them that you will not violate this trust by trying to force them to do business on your terms.

The good news is that clients and prospects actually tell you what they want by searching for things in Google, Bing, and other search engines. Throughout this book, we refer to anything the searcher types into the search box as a keyword. The second piece of good news is that they tell you what they think about what they want in social media. All you need to do is gather the data and mine it to better address what clients and prospects need from your marketing activities.

Gathering the data might be the easy part. Everybody has access to search keyword tools, such as Google Keyword Planner. Most of us can find more conversations through social listening tools, such as Salesforce’s Social Studio (formerly Radian6). The challenge lies in analyzing the data we find. When customers enter a keyword, what exactly are they looking for? We
assume that they’re looking for something related to the topic expressed by the keyword. But exactly what do they want? And what do they need to do with the information once they get it?

It is not helpful to merely offer encyclopedic amounts of information. You must help prospects take action to actually solve their problem with the information you help them find. But what actions do they want to take? How can you learn this from a few simple search keywords and some social conversations?

You are not serving your client if you merely mine the data. Clients expect you to recommend the right things for them to do. They want to be told what to do, in words of two syllables or less. They might be experts in what they do, but they are not experts in what you do—until you make them so.

We will start to answer these questions in this chapter and continue throughout the book. To answer these questions, we want to more strongly differentiate outside-in from inside-out marketing. Table 1-1 shows the differences. As we refine the definition of outside-in marketing, we can begin to answer how to do it.

Table 1-1  The Major Differences Between Inside-Out and Outside-In Marketing

<table>
<thead>
<tr>
<th>Inside-Out Marketing</th>
<th>Outside-In Marketing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uses company terminology</td>
<td>Uses audience language</td>
</tr>
<tr>
<td>Pushes content chosen by the company to the audience</td>
<td>Pulls content chosen by the audience from the company</td>
</tr>
<tr>
<td>Requires heavy and broad advertising</td>
<td>Requires narrow advertising, if any</td>
</tr>
<tr>
<td>Interrupts audiences with the message the company wants to send</td>
<td>Intercepts audiences with content that meets their needs</td>
</tr>
<tr>
<td>Has a short shelf life and consists of many one-time campaigns</td>
<td>Has the long shelf life of a perpetual campaign</td>
</tr>
<tr>
<td>Uses fragmented media approaches</td>
<td>Uses an integrated media approach</td>
</tr>
<tr>
<td>Uses a waterfall development approach, where work is thoroughly planned up front and executed without change until the entire project is finished</td>
<td>Uses an agile development approach, where you start small, with ideas tested and modified throughout the execution of the project, based on what’s working and what’s not</td>
</tr>
<tr>
<td>Employs search and social media as an after-the-fact tactic</td>
<td>Integrates digital, search, and social media throughout the entire campaign</td>
</tr>
<tr>
<td>Clutters the user experience with many messages</td>
<td>Creates a unified user experience with an integrated message</td>
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Is Outside-In Marketing Really That Different?

The ideas discussed so far in this chapter seem like Marketing 101—all the same things we have always done with offline media. And, indeed, there are similarities. Direct marketers, for example, have long used customer insights and optimization metrics to improve results over time. Copywriters have for many years built audience personas and written audience-centric copy. And advertisers have always tried to place ads at the decision point for their audience.

Direct Marketing: Push vs. Pull

When you consider the psychology of direct marketing, you realize that it is fundamentally different from outside-in marketing. Leaving junk mail and other spammy methods aside, the best direct marketers use facts about the target audience to try to understand what they need and push it to them. In that respect, it is outside-in, right? Well, not exactly.

For example, James recently moved and had to notify the U.S. Postal Service of his change of address. When he opened the envelope from the Postal Service, it was full of ads for home improvement centers, insurance firms, and other businesses commonly frequented by those who have recently moved. After he moved, he received the same ads in direct mail that had been included in the envelope. Not only did those companies know he probably would need to do business with companies like the ones in the ads, but they knew how to reach him most effectively, by repeating the ads multiple times. In psychology, this is called priming—repeating the same message multiple times to get a desired result. Direct marketers have used this technique successfully for decades.

The key difference between outside-in and (well-done) direct marketing is in the word push you probably noticed. Direct marketers push messages to those who are somewhat likely to be interested in them. They don’t wait for the audience to tell them that they are in fact interested. They are willing to concede that they might get only 1% response for their direct mail campaigns. But, even if they do, they will get a solid return on investment. So they push messages and hope for the best. In the process, they effectively spam the other 99% of their audience. And they don’t care.
Chapter 1: Understanding Outside-In Marketing

The reason they get the ROI is that you are an audience that is somewhat captive to their messages. You can’t choose not to receive your mail. When you open your mail box, there might be a check or an important letter or card. There will also be the direct mail pieces. You can choose to recycle them instantly, but you must at least look at them. In short, you must “opt out” of them. A small percentage of users don’t opt out. These are the ones who give direct marketers their ROI.

Digital marketers have tried the push model from the beginning. But it never worked very well. Why not? Because web users are not a captive audience. They “opt in” to only the information they want to consume. You could say that opting out, such as deleting an email or abandoning a web page, is a lot like recycling a piece of direct mail. The difference is that you can keep sending direct mail to the same customer even after he has recycled 100 pieces, hoping to hit the mark with some of them, but web users are always moving and seeking information rather than waiting motionless for information to find them. It’s always been called “surfing” for a reason. Automated spam filters constantly evolve for a reason.

Other techniques can cross the line from “welcome” to “spam,” also. Readers believe that they have developed banner blindness and do not even see display ads. But marketers now retarget ads by showing display ads informed by searches and other activity. And people do seem to notice them, whether they click on them or complain about them. Whether these ads are “welcome” or “spam” depends on how relevant they are to the reader, but they are at least more relevant than random display ads.

Once a digital marketer violates the trust of the audience, which is based on allowing them to opt in rather than forcing them to opt out, they never come back. Over time, relying solely on push marketing in the digital world is a losing proposition, as your user base slowly dries up. Websites become ghost towns. Email newsletters end up in spam folders. And social platforms die.

While all this might seem obvious to some people, others might reasonably object, saying, “One man’s pushing is another’s sharing. If the content is good, why can’t you push it?” And that is the real question here. What kind of sharing violates the trust of the audience, and what kind increases it? Every marketer must make the decision between spamming and sharing and must realize that spamming does have real consequences.

It’s not that push marketing never works. And we aren’t trying to get you to stop all push marketing. We are trying to persuade you that employing solely push techniques causes you to send more and more emails, to buy
more and more display ads, and to blanket your audience with more and more interruptions. If 99% of them are not interested, eventually your audience will find ways to tune it all out. That said, it is also true that you need to prime your audience to help them discover you. If your content is high quality, sharing it will be welcome—and that’s what you are aiming for.

If you learn what your audience needs and pull them into your experiences through search and social media, you will develop a loyal audience—and ultimately get better results. Users who are allowed to “opt in” to messages are prequalified as interested parties. They will spend some of their precious time and attention exploring your site to get answers. Once you gain their trust, you can begin to subtly influence them to try (and ultimately to buy) your products and services. We usually refer to this content-first approach as content marketing.

Unlike push techniques that must start by getting attention from your audience, pull techniques require paying attention to your audience. Because you can’t pay attention to every single audience member, you analyze data as a way to know them. That’s the essence of outside-in marketing—using data to focus your content marketing.

Advertising: Broad Spend vs. Narrow Spend

Advertising is designed to generate interest in a product by producing clever and visually stunning ads and then flooding the market with them. We are all so familiar with this method from iconic brands such as Coke and Apple that it hardly requires analysis. It is no exaggeration to say that most big brands were built using this method on TV and in print. And the practice is effective to this day.

The same advertising agencies that create and manage these offline campaigns tried to follow the same playbook in the digital world. Read any story in Advertising Age about these campaigns, and you’ll find that it hasn’t worked nearly as well online as it worked offline. A big reason is one we’ve mentioned already: Digital users are in control and choose to ignore or subvert digital advertising in large percentages. Traditional advertising requires a captive audience.

Jared Spool, an expert in user experience, simplified the argument of advertising vs. content in a 2013 speech (Confab, Minneapolis, 2013). “Ads don’t work,” he said. “You get a tiny fraction of the clicks on a page to ads. With the advent of smaller screens in mobile devices, almost half of the tiny
fraction of clicks you get are mistake clicks—those where a user is trying to click a content link and accidentally clicks an ad.”

In his talk, Spool cited case study after case study showing that the user experience of banner ads in particular is antithetical to usage of the web. Web users are typically trying to get the information they need in the shortest possible time. In this context, banner ads are just in the way, unless they are legitimately calling attention to quality content that people will share themselves once they discover it. If most display ads shared quality content, the use of ad blockers would not be on the rise.

In some cases, the only way to get users to click banner ads is to deceive them into thinking they’re clicking something else. This is a sure way of destroying any trust you might have gained from them. Again, once you destroy user trust, you will rarely get it back.

Not all online advertising is ineffective. Google introduced the pay-per-click model of search advertising in 2000, and this model is the primary reason the company has a $1 trillion market cap. But this kind of advertising is fundamentally different from banners. Users who see search ads have already indicated interest in the topic by entering a search keyword. This kind of advertising works because it fits the general pattern of outside-in marketing.

Still, not all paid search advertising works. Some advertisers have tried to use the same shotgun approach to paid search that they have used in offline advertising, buying hundreds of somewhat relevant keywords pointed to the same landing page, in the hopes of casting a wider net for prospects. Because they are paying by the click, they figure they will get their money’s worth.

But, as we will explain later in the book, this rarely works. The best practice is to buy only the words that are most tightly targeted to a campaign and then to pay careful attention to the experiences users land on when they click the ads. This narrow approach yields better results. We call this narrow-band paid search advertising.

Contextual advertising works much the same as narrow-band paid search advertising. Advertisers buy words that are relevant to their campaigns and specify on which sites they want their ads to appear. Not only are the semantics of the words narrowly relevant to the interests of the audience, but the sites narrow it further. And because you pay only by the click, narrowing the context will lighten your spend and reduce your cost per response.

And because the context is narrow, the spending can be light. You can turn your ad campaigns into surgical strikes, testing multiple variations of ads and landing pages and ultimately using the most effective ones. In short,
search advertising has much in common with other forms of outside-in marketing: You use big data (search keywords or words in context) to attract an audience that is likely to buy into your offers. And you optimize the campaign over time to produce a higher yield.

Telemarketing: Interruption Marketing vs. Interception Marketing

Outside-in marketing is based on the simple premise that successful digital marketing allows the audience to tell you what they need so you can provide it. “What if your audience doesn’t know that it wants what you are trying to sell? How can you attract them?” We have often been asked these questions by folks who have a vested interest in the status quo of inside-out marketing. For them, a part of every campaign involves some cold calling of prospects in a list they bought somewhere. The only intelligence they use in this method is to verify that the prospects have some likelihood to buy the product or service in the future. But they typically have no idea where the prospects are in the sales cycle—how ready they are to receive the message.

You might think that in the age of do-not-call lists and other consumer protections that telemarketing is dying. Not so. The Bureau of Labor Statistics claims that there were a quarter of a million telemarketers engaged full time in the United States in 2012. This is about the same as it was in the previous reporting period. So telemarketing is still widespread and does not seem to be decreasing, especially when you consider that robo-calls are allowing the same number of telemarketers to make even more calls per person. But telemarketing techniques usually fail or at least produce ill will that costs you in other ways.

Why? Because prospects don’t like getting interrupted. Even those who tolerate interruption are less apt to act favorably to these interruptions for a simple reason: It takes a lot of mental effort to change one’s train of thought. Think about the last time you got a call from a group that fit with your attitudes—perhaps a charity that supports the families of kids with cancer. If you said “no,” the likely reason is that you were engaged with some other project, and you just didn’t want to think about something else at that time.

This is the problem with interruption marketing. Even those who might be interested at some time are rarely interested at the time marketers interrupt them. This is no diatribe against telemarketing. Telemarketing is merely an example of interruption marketing.
Some marketers claim that it’s normal for at least part of your market not to know that they need your product. And it is. But “educational” marketing is no different from any other kind of marketing: It’s much more effective when your audience is pulling the knowledge to them when needed than when you push it at them, regardless of need.

The data suggests that prospects are much more likely to respond favorably to messages if they are not required to change their train of thought to grasp them. When you intercept prospects already looking for answers to certain questions, and you give them the answers they are looking for, you are bound to be much more effective.

**Event Marketing: Short Shelf Life vs. Long Shelf Life**

A common practice in marketing is to hold events to announce a new product’s marketing calendar, enlisting the lion’s share of resources leading up to the event. Once all the work is done and all the materials are published, you forget about the last event and start working on the next one. It’s reminiscent of magazine publishing.

At one time, James was editor in chief of *ComputerUser* magazine, a monthly tabloid-style magazine distributed in large markets across the United States. His team spent all month working on the publication. As soon as it was at the printer, they started working on the next one. The only time they worried about previous issues was when they needed to issue corrections, which was rare.

About halfway through James’ tenure at *ComputerUser*, the company started a website that supported the print publication. It started simply by publishing content online and by adding daily columns from columnists such as James. This inaugural website predated blogs, but the concept was the same: It allowed moderated comments not just on the daily columns but on the magazine articles.

The publish-and-forget model didn’t work too well once *ComputerUser* moved to the web. *ComputerUser* soon found out that the articles published needed regular updates as users commented and otherwise contributed alongside the community of readers of the publication. Eventually, the community influenced the print editorial calendar, making it much more responsive to what the readers of the website showed the most interest in.

This experience convinced James that web audiences differ in fundamental ways from print audiences—and that is the main point of James’ book.
Audience, Relevance, and Search: Targeting Web Audiences with Relevant Content, which he wrote with Frank Donatone and Cynthia Fishel. The difference can be summed up in the attitude of the audiences: Whereas print audiences lean back to consume the content you provide, web audiences lean forward to interact with the content you provide. This might seem like an obvious thing, but when you unpack it, it gives you a rich way of understanding how to better engage with digital audiences—because digital marketing content invites interaction, too. While very few people engage with your digital content (share it, comment on it, like it, etc.), everyone is clicking their way to every piece of content they see, which is far different than in traditional media, where the content is essentially curated for consumers once they open a magazine or choose the TV channel. In other words, nothing happens online unless you click a lot. A lot can happen on TV if you click once.

This difference makes the event marketer’s publish-and-forget model untenable on the web. James’ print publication was recycled the moment after people read it. (ComputerUser’s copy editor lined her bird cage with it.) Print periodicals are archived, but the vast majority of readers experience it only in the month it is printed. Unlike print, web assets are available to users long after they are published and need to be updated as the facts on the ground change.

When you publish and forget on the web, your old assets become clutter that gets in the way of the assets you are trying to promote. A lot of event marketing sites are shut down after the event is over, which is a complete waste of much of the equity the event produced with the audience. But if you manage to have the same site for related events, one year of regular events with their own sets of assets soon becomes an incoherent mess of vaguely related content. Fragmented sites become less useful and more expensive over time.

The way to avoid this mess is to develop a content strategy that enables you to build a coherent site from repeated events. Before you publish content, you must plan to maintain and add onto that content to create a coherent and more comprehensive site over time. You also must plan to archive content when it is no longer useful or timely. The best content management tools automate these activities.

Lest this all sound neat and tidy and easy to plan, we must remind you that the data sets we use to understand audience preferences and attitudes are imperfect collections—and those preferences change over time. Natural language is fraught with all kinds of ambiguities and vagueness. Because you can never know in advance exactly how your audience will interact with your
content, you must adjust content after publishing. Unlike with print, you can progressively improve your web content to better fit the needs of your audience over time. This is the premise of Mike’s book *Do It Wrong Quickly*, in which he explains how to fail faster in order to succeed more fully in the end.

**What Is Content Marketing?**

We’ve thrown around the term *content marketing*, but we need to flesh it out more deeply. Content marketing is a fairly simple concept, and we don’t want to overcomplicate it. It is the natural extension of a simple truth: Content is what users of digital media consume. It’s what they look for when they search for stuff. It’s what they promote when they like and share items.

Traditional marketers sometimes struggle to understand content marketing because it is such a departure from what they’re used to. They’re used to crafting visually compelling messages and pushing them out through various channels. They’re not used to crafting content that attracts the audience to come to a website and participate in a customer experience. They’re not used to using audience data to learn what those experiences should be before crafting them.

In fact, many organizations challenge the whole concept of content marketing. Critics say that creating high-quality content can be expensive. (Correct.) They say that it’s risky to spend all that money up front before you even know it will work. (Correct.) They say that most of the people who see your content marketing will never buy from you. (Correct.) And, therefore, that’s why you shouldn’t adopt content marketing. (Not so correct.)

It’s human nature to be distrustful of something new; distrust has probably benefited the survival of the species because it keeps us from tasting any mushroom within reach. But just because you are new to content marketing doesn’t mean that you should distrust it. Yes, content marketing can sometimes be expensive and risky, and it is true that most people who see your marketing won’t buy from you. But isn’t advertising expensive and risky at times? And don’t most of the people who see your ads pass up the chance to buy from you?

It isn’t the *model* of content marketing that is a problem; after all, it’s the same model as for advertising. It’s just that we subject the unfamiliar to far more scrutiny than we bestow on older ideas that we are used to. So, if you’re a traditional marketer, before you dismiss content marketing, perhaps learning some of the hallmarks of the discipline (as detailed below) will help you embrace it—and some of the data that helps you along the way.
Content Marketing Starts with Creating Great Content

Your content must consist of compelling, audience-centric, findable, sharable stories. If you build it, they might not come. Content must be built with audience interest in mind so that they will find it and share it with their peers. Once built, it must be published and promoted. Content does not market itself.

You measure the effectiveness of content marketing according to how often it is used and shared.

Content Is Useful Only in Context

You can’t just create content in a vacuum. In digital media, content is only as valuable as the number and quality of references to it (links, social shares, etc.). It is more useful if it builds on existing work than if it duplicates it. It is more useful still if it is built as part of a system of other content that answers specific questions in a several-step information journey. This is especially difficult for traditional marketers, who want to tell self-contained stories.

You measure how well connected content is, within its context, by performing link analysis.

CONTENT MARKETING: THE NEW NEW THING?

All the cool kids are doing it. Content marketing is the flavor of the week, so you need to jump on the bandwagon, too. But is content marketing really new? Not really.

Ever hear of the Michelin Guide? This venerable series of review guide books started as a giveaway from the French tire manufacturer to encourage driving to restaurants (thus stoking demand for replacement tires). That was in 1900.

Know how soap operas got their name? These daytime serials started on the radio. They were actually produced by the soap manufacturers themselves. That was in 1930.

Such forays into content marketing set the tone for what we can do today. Many companies have engaged in content marketing over the
Content Needs Information Paths

Chances are that your audience will choose a different path through your content than the path that you designed. That’s to be expected. Digital media and books are not the same. In books, it is the author’s story. The reader implicitly concedes this point and passively consumes the story according to the author’s agenda. Digital media need not be consumed in such a linear fashion. The digital reader or viewer is in control. It’s their story, and they’re piecing it together from multiple sources on the fly. This fact vexes some traditional marketers because, like book authors, they are accustomed to crafting media to be consumed serially.

You measure and track users through your content to create experiences that align with their journeys.

Great Content Speaks Your Customer’s Language

Because the audience builds their stories using multiple sources, you must use language that the audience understands. Though you want to tell your story, your story will not make sense in the context of the audience’s story if you don’t use common language. Coining your own terms can lead to jargon that’s confusing to your audience. It’s natural for marketers to desire unique trademarked names for their products, but when you need to explain too many words, your message loses its punch.

years, so content marketing isn’t truly new. What is new is how much cheaper it is, thanks to digital marketing.

In the old days (around 2003), content marketing brought with it high printing, production, or manufacturing costs and mailing or other distribution costs. Email, websites, social media, and mobile devices have dramatically reduced those costs. It is still expensive to create high-quality content, but it doesn’t cost an arm and a leg to get it in front of your digital audience. What this means, in practical terms, is that any marketer with a good idea can scrape together the budget to experiment with content marketing. But it means anyone with a bad idea can do this, too. And that’s the point.

Content marketing isn’t new. What’s new is that distributing your content is now almost free, so content marketing is feasible with just about any budget. Even yours.
You learn the common language by conducting keyword research and by
listening to social channels.

Content Marketing Requires a Publisher’s Reputation

As in all other forms of publishing, credibility is the currency in the digital
world. A sure way to gain credibility is through transparency. Not only must
you publish the truth as openly as possible, you need to avoid hyperbole
and other forms of exaggeration. This can be especially hard for some public
relations professionals who are used to telling only the “good stories.”

You can measure the credibility of your content by performing sentiment
analysis and other forms of social listening.

Content marketing is emerging as the primary way many brands engage
with audiences, to the degree that resisting content marketing has become
a career-limiting decision. For example, only 12% of UK companies do not
focus on content marketing.

OUTSIDE-IN MARKETERS AS DATA SCIENTISTS

Big data is having big effects on content marketing, nowhere more
than in its ability to make sense of the complexity of human language.
Most web content consists of unstructured text. Mining this text for
meaning and relevance is what search engines do. Search engines pro-
vide you with what they think are the most relevant and meaning-
ful experiences, based on your search keywords. Understanding those
results is the primary clue outside-in marketers use to better under-
stand audience intent. Search engines are giant natural language pro-
cessing engines that produce an urban dictionary full of definitions of
keywords based on how they are used in digital media. In a sense,
search engines “understand” how we use natural language over time.

The clues from this natural language processing rarely lead to cut-and-
dried answers but are analyzed as statistics. Outside-in marketers use the
data to make decisions about information their target audiences are most
likely to need. They provide the information in ways they think will be
most useful to them. But, all things considered, multiple versions of
the same information are equally likely to serve audience needs. This is
where outside-in marketers become data scientists—by serving multiple
versions of the same digital experiences randomly to their audiences and
testing the results. The experiences that get the best results win.
Wrapping Up: From Inside-Out to Outside-In

It should be clear by now that outside-in marketing is a radical new way of engaging in marketing. Digital drops distribution costs of content to nearly zero, allowing just about anyone to play. But outside-in marketing’s most striking aspect is its use of data to understand the audience. Data allows marketers to provide the content they need to solve the audience’s problems and to answer their questions.

By providing excellent customer experiences, you gain their trust and develop loyalty. When your customers are loyal in this way, they become your best marketers, promoting your brand to their friends and followers.

It all starts with credible and compelling stories geared toward what customers need, not driven from some clever campaign conceived in a *Mad Men*-style smoke-filled room. In concept, it might seem simple, but

This technique, known as *A/B testing* or *multivariate testing*, yields performance data that provides an ever-more-clear picture of how to better serve the target audience. A/B testing pits one variant against another (A vs. B), while the more powerful multivariate testing allows hundreds or even thousands of possibilities to compete with each other for supremacy. Patterns that tend to yield better results can be used as shortcuts by other digital marketing teams within the organization. In this way, outside-in marketing can sometimes be thought of as a form of *machine learning*, where the inputs of the machine are the practices and the outputs are improved performance. As the machine gets ever better at detecting working patterns for the target audience, it “learns” to optimize digital assets over time.

The machine is not just an optimization engine, however. The machine is a prioritization engine. Every marketer is faced daily with a challenge to do more with less. That means continually examining the mix of activities and weeding out poor performers and building new ones in their place, based on the data. The market is constantly in flux, and a savvy marketer is continuously adjusting the mix to match shifting audience needs and business priorities. This kind of agility was not possible prior to digital marketing. Now it is table stakes.
in practice, transforming your environment to this new approach requires major cultural, process, and technological changes to your environment. The remainder of this book describes these transformations and the results that have been achieved along the way, starting with a deeper dive in content marketing in the next chapter.
BEN EDWARDS, ON HIS SKEPTICISM OF CONTENT MARKETING

At the time of this interview, Ben Edwards was the Vice President of Global Digital Marketing at IBM, and he’s currently leading PayPal.com. (Full disclosure: He was also James’ boss at IBM.)

How important is content marketing to IBM?

Frankly, I struggle a little bit with content marketing as an idea. I prefer to simply talk about marketing, which contains two things: data and engagement. The two are related: The more engagement, the more data; the more data, the more engagement. I don’t know what to do with content marketing, but I do know the questions we need to ask as marketers:

- Who do we need to engage?
- How do we need to engage with them?

The how depends on the who. In a world of infinite choice, we need to give them the answers they need when they need them, amidst lots of competition for their time and attention. The most successful at this are those that both understand who to engage with and understand that they need to make engagement as self-service as possible.

Let me give you a couple of scenarios.

Scenario 1 is an existing and significant IBM customer, who has been with IBM for 30 or 40 years as part of an integrated account. In this case, you bring in your best people for an in-person meeting to develop the relationship—your best SMEs [subject-matter experts] to deliver personalized expertise, creativity, and innovation. Then support that with a digital experience. This approach requires content in a high-touch engagement, geared toward the client’s particular needs.

Scenario 2 is a developer who needs to understand how to test an app on Cloud Azure within [IBM’s] Bluemix® [a cloud software development environment]. She needs a low-touch, self-directed content
experience. You might need to bring in a human being on the phone to help her better understand how the platform works. Give her trials and other offers in a slick self-service model available on her laptop. That’s a very different content model than Scenario 1.

In each scenario, you focus on the user and the use case—the client or prospect need. The question is, how do we successfully engage with them, given who they are and where they are in their journeys? I’m a little suspicious of content marketing. All these new flavors of marketing are all just marketing. It’s all about the same challenge: Move people through their journey and inspire loyalty. The promise of modern marketing is that we can acquire more data, automate our messages, and engage with you in the moment of your journey with some relevance to the next thing for you to do.

There’s a tension between focusing on large-scale opportunities versus one-to-one marketing. In our book, we advise you to prioritize your efforts toward the opportunities that tend to produce the highest volume of leads or wins. Marketing to the individual is more about low-volume, high-touch engagement, what we might call “sales.” How do you reconcile these apparently conflicting motivations?

I don’t think they’re mutually exclusive. Getting to one-to-one entails being able to scale. In search marketing, as you know, you focus on the purchase intent implied by the keyword. This is a customer acquisition model. [As a prospect], once you’re in my flow, I’m trying to understand how I can market to you as an individual, or some proxy of an individual. Take some high-volume keyword phrase. We’ve determined that 200,000 people are looking for that solution. Now you hit the site, and we can begin marketing to you in different ways than [we can to] that aggregate number. Maybe we can discover that the individual who downloads a particular asset has a 30% likelihood of buying. As soon as they download that asset, some other piece of data says, “Look, give them a call because they’re ready to buy.”
Content marketing can mean so many things, and IBM has so many offerings. Is there a philosophy that you bring to content marketing that somehow crosses all these languages, offerings, and styles?

Back up again and talk about marketing and not content marketing. We need a model of the individual at a moment in time, in the context of the account, of the company relationship, of their role in the purchase decision. And we need a model of the individual and the account as they move through time. It needs to model in a way that shows the value of the relationship for the individual and for IBM. The model measures value in terms of responses, leads, and wins.

The best way to learn the value of content is to focus on the offer. Offers have to provide value to people: Buy one, get one free; 30-day free trial, etc.—tangible value that simultaneously qualifies me as a purchaser, as a buyer. An offer is a marketing tactic of sufficient value to qualify the response. Good offers make it a high-quality response. The rest of marketing is customer acquisition, which is just getting more and more people to qualify for those offers.

The cornerstone of content value is the offer. [IBM’s] SoftLayer® [cloud software] has a great offer—30-day free trial. How often do they change that offer? Never. TD Ameritrade has a great offer. They’ll give you $600 to open a new account. They tried all kinds of other social content marketing without such an attractive offer. They spent millions on a social content marketing platform. The ROI on the $600 offer was better than all the social content marketing that they did. TD Ameritrade decided it is going to go back to traditional roots—to focusing on a great offer. The rest is all about how do I improve the flow of people to that offer? Social. Email. Search optimization. Etc.

I’ll give you an example from B2B: the IBM Power® server line. When you buy one of these high-end servers, you make a large commitment. If I buy one of these boxes, I’m going to buy a lot of them. It’s going to take you a fairly long time to convince me to buy one. Our data says
that the tactic that converts to a quality response is a webinar, which is a two-hour time commitment. The thinking is, if I’m already making a serious time commitment in figuring out what server line to buy into, I can put two hours on my calendar. That webinar qualifies me for the next step, which is to start working with the sales organization.

So the question then is, “How do we improve the flow of qualified people into that webinar?” We provide lots of free learning content. We build lots of content to help them understand and compare—ROI calculators and TCO (Total Cost of Ownership) calculators, lots of thought leadership, social chats. I can imagine a whole ecosystem of engagement that gets people to that webinar. For that product and that buyer, most of the content effort is just getting people to the webinar.

When it comes to SoftLayer, the experience is frictionless. The offer brings people in without a lot of content up front. But marketing has to work a lot harder once we have you. For SoftLayer, retention is the harder nut to crack. The webinars for SoftLayer happen post purchase. Acquisition is relatively easy. Getting them to try is easy. Moving them from try to buy is tougher. Moving them from buy to stay with us—that’s really tough. All the content heavy lifting for SoftLayer is about inspiring loyalty.

Those are two entirely different content models for two entirely different individuals.

It’s not just about the technology, right? It’s also a new way to manage people, no?

We are hacking the workflow through agile methods applied to unconventional development areas, such as marketing design systems. This whole [IBM] Studio we sit in is a petri dish of rapid application development. Teams move in, teams move out. Players within teams swap in and out. The backlogs are as fluid as the business requirements in a rapidly developing marketplace. The buzz here is palpable. Can you feel it?
The value of marketing is about investing in the right code and getting the right code to the right people at the right time—toward perpetual transformation—that’s how management needs to transform itself, to evolve. That’s what software is, especially in the age of cloud—perpetual improvement or dying. This facility is a physical manifestation of that.

It comes down to the question “Is marketing an expense or an asset?” In the old world, we gave agencies money to produce some work. The new model is, if you invest $1 in the platform, the platform becomes more powerful. You invest $35 million, and you get a whole lot better platform. We are proving that marketing is an asset. The platform is an asset. The Acquire–Engage–Convert model improves over time as we invest in it. Our data is proving that even as we continuously transform ourselves.
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