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My personal objective is to reinforce in you that the great potential market he has today. That's me. I'm on Twitter. I've got 14000 followers why I don't know but I started I was an early digital adopter and I'm on Twitter a lot and I mostly use it for business. You can get a hold of me at these e-mails. You can Google me and find out what I'm about and I think I'll give you an idea of the kind of things that we professors bring to you. My objective here is to give you some information about USC but it's also to reinforce and re-instill in you the passion that you should have for marketing.

My Background

50+ Years Of Living & Loving Marketing Communications



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It is a fantastic time to be in marketing and I've been one of the few people that's been in it from the Mad Men days through today and believe me the show is pretty accurate. And you saw how television was a game changer and a watershed time. You are now at the next watershed time in marketing with everything that's going on in digital. So, I started in the Mad Men era and also helped found a digital agency called the Concept Farm.

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Carpe Diem - The Digital Era

"This is the most **dynamic, challenging and opportunity rich** time to be a marketer that I have ever seen. **Consumer connectivity and proximity open up limitless creative possibilities** to every organization regardless of size and resources. **Creative marketing is re-imagined & re-energized!**"



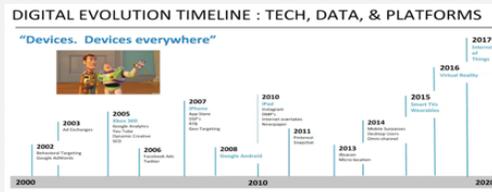
Re-writing All The Rules

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.. Seize the day. You're in the digital area. This is without a doubt the most dynamic, challenging and opportunistic rich time I have ever seen to be in marketing ...seriously, no better time because the consumer is in charge. We have to connect with consumers like never before and liberate creativity and that's what digital has enabled... creative marketing is being reimagined and reenergized. You will be rewriting all the rules and when you get finished with this program you're going to be one of the people on the leading edge of doing just that. So be excited and get pumped up with the great potential of digital.

Digital Disruption—Transformation

The Internet Set The Stage – Mobile Changed The Game

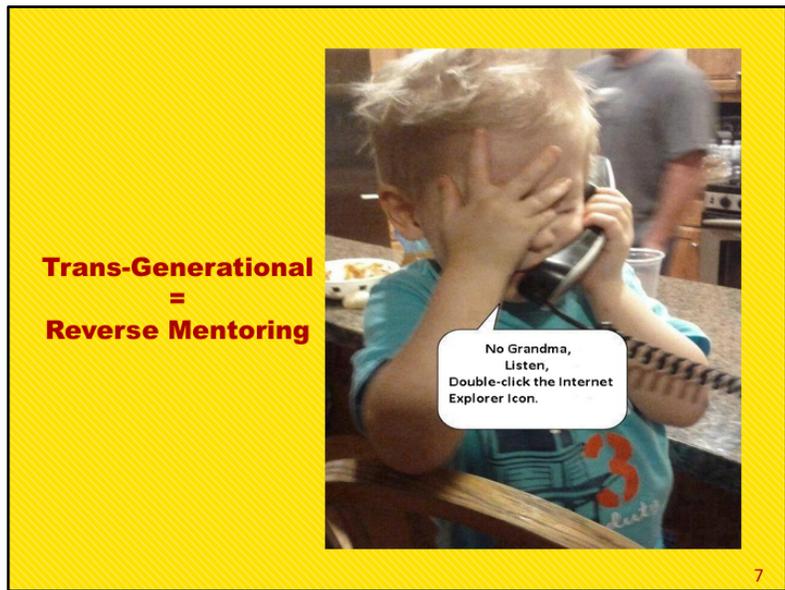


Exciting & Transformational Time In Every Aspect Of MARCOM
The Marketing Mix, Marketing Organizational Role & Practice, Delivery Channels
& The CMO

"Not traditional vs digital marketing. We are marketers in the digital era"

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You've heard the term digital disruption, but it's beyond that now. It's digital transformation and it's transformed every aspect of business. The internet is officially about 27 years old. It set the stage for where we are today but mobile has taken it to another level. This device, the iPhone blew the doors off and changed the game. You cannot underestimate how this affected marketing communications. You often hear the terms traditional marketing versus digital marketing. There is no distinction. It's all blended...we are all marketers in a digital era. Most importantly, digital makes every other form marketing communications even better.



And the great thing about this digital era is that it is transgenerational. This quote about grandma sums it up...Listen grandma, double click the Internet Explorer icon is prophetic. This is the first time the next generations coming up in business know more about what's going on in digital than the management generations before it. That makes this a wonderful time for reverse mentoring where you will be able to teach the management levels above you about what's next. Be motivated by that.

Marketing – Digitally Transformed

- Rapid & constantly changing business environment
 - **Mass media losing audiences & viewers**
 - Digital media spending dominates
 - Mobile ubiquity
 - Micro Targeting & Personalization
 - Consumers control “communications”- not passive recipients
 - Information & influence from a myriad of sources
 - Convergence & Confluence of Messaging
 - Functions Converging
 - Data Deluge: Opportunity & Challenge
 - CHANGE!!!! – Fast, Fluid, Dynamic



Revised

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Here are some quick observations about the marketing environment. Mass media is losing audiences and viewers. But it's not one versus the other. Digital media dominates and is going to continue to dominate. So it's not a question of how much digital media to deploy, it's about how well we use digital communications to make every element of the marketing mix even better. There is Mobile ubiquity. Everybody has a mobile device. Today, we must operate with a mobile first mindset and about three years ago it was not. It is today. Then there's microtargeting and personalization. It's no longer about mass marketing. It's micro marketing and personalized messaging that can be done easily on the Internet but also in traditional media with things like addressable TV and set top boxes. Next, the consumer now controls the communications and the balance of power has shifted from the corporation to the consumer. It's important to remember that a company never gives up control of its brand. But the communications we do today are provocations that engage and invite consumers to be part of it. Consumers today are also curators and cocreators of a brand messaging. No more passive consumers information

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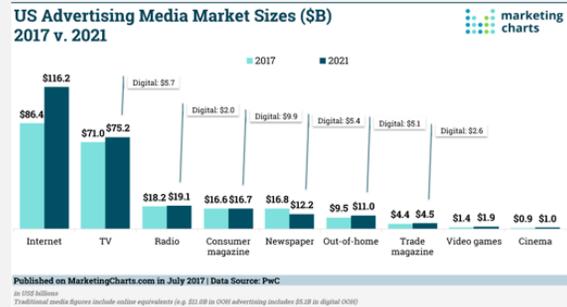


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Influence can come from a myriad of resources and sources. Three years ago you didn't hear the term influence marketing. Now it's everywhere. There's also convergence and confluence of messaging. It's no longer about an ad or a promotion piece or a display. It's about brand content. Every bit of content produced comes together from one unified message functions and business functions are converging especially in the C Suite. The CMO is cutting of course lots of different platforms and words must work very closely with the CTO and CIO.

Next, we have a data deluge. That's a huge opportunity in terms of informing marketing strategies and analyzing performance but it also represents a threat and challenge. The challenge is not to get consumed by the data and always be looking turn that data into actionable insights that help create ideas...big ideas. The tendency is to get stuck in the data and lose sight of your purpose. Great marketing ideas that move people. Then, there's change. It's fast fluid dynamic and I mean really fast. You will not be able to keep up with it all.

DIGITAL SPENDING DOMINATES & DRIVING GROWTH IN SOME TRADITIONAL MEDIA



MIX OF DIGITAL & TRADITIONAL ESSENTIAL

40% of digital expenditures on channels that didn't exist 5 years ago!

Digital spending as I had mentioned now dominates digital is on it's way to accounting for 65 percent of marketing spending and digital cuts across all media. So a mix of digital and traditional is essential. As I said earlier, use digital to make every other marketing mix element even better. Here's a fact. 40 percent of all digital expenditures are on platforms that didn't exist five years ago.

SEARCH - The "Spinal Chord" Of MARCOM
Evolving Daily – Algorithm & Platform Changes

Evolved From Words to Age Of Ask

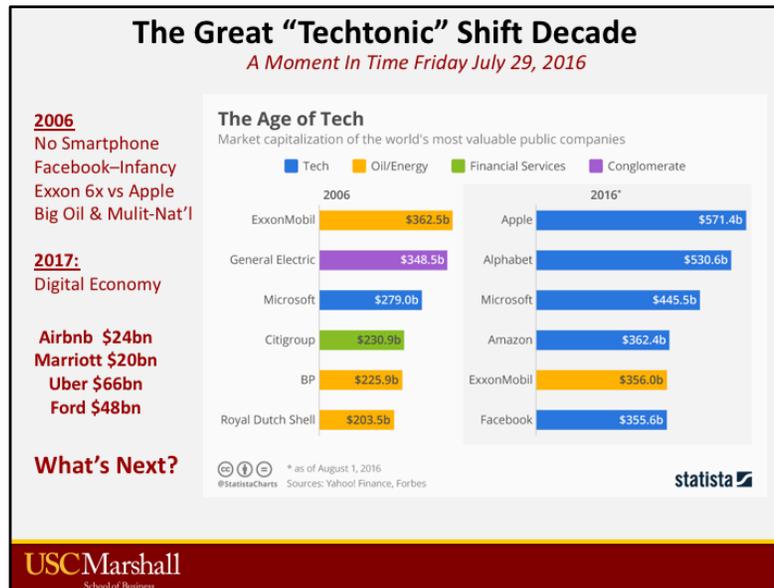
best car insurance for me which dog is right for me what should I get for lunch how often should I wash my hair

best haircut for me how many credit cards should I have

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I look at search as a critical part of marketing communications. Where do people start when they want to find something out. You Google it of course. I call search the spinal cord of marketing communications. It flows through and connects everything. And it's evolving daily. We've moved very rapidly from the days of typing in words to what I call the age of ask and assistance. With enabled devices consumers can experience personalized searches and get answers to immediately...not later, right away.

Just in this one area of search brands to rethink their entire program from how you use keywords to content management. Now consumers search by asking what's the best car insurance for me? Which dog is right for me? How often should I wash my hair? Those are the kinds of questions that you are getting today not just generic search inquiries.



The business world has a great tectonic shift. In 10 short years we've moved from the age of corporate industrial America to the age of tech America. In 2006, remember there were no smartphone no GPS, no App Store. Facebook was in its infancy Exxon was six times the value of Apple. Big Oil and multinationals dominated market cap. Fast forward 10 years later we are in a digital economy. Air BnB is valued at 24 billion dollars. Marriott, with all that real estate valued at \$20 billion. Uber 66 billion. The Ford Motor Company 48 billion dollars.

Marketing (AMA)

Marketing: An activity, set of institutions, & processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large

**“FUNCTIONAL” INTERNAL
BROADCAST OUT
“Spray & Pray”**

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The marketing texts you've read books in your undergraduate classes are outdated with traditional marketing definitions. Marketing is an activity set of institutions blah blah blah. Forget about it. It doesn't work today. It's functional. It's internally driven. It's broadcast out spray and pray. Marketing evolution has changed it dramatically because of this shift of perspective. We've always said the consumer is the focus of marketing and in the past we paid lip service to that. But now we've moved from consumer focus to consumer centricity to consumer obsession!

Shift Of Perspective

FROM



INSIDE - OUT

TO



OUTSIDE-IN

**View
Everything
From
Consumer
Perspective**

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We must look at everything from the outside in and get in the mindset of that little kid looking through the window. So that's driven fundamental systemic shifts in some key areas.

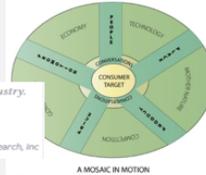
Fundamental Systemic Change

The Social Marketing Mix

THE FIFTH "P" People

"Empowered customers are disrupting every industry. In this age of the customer, the only sustainable competitive advantage is knowledge of and engagement with customers."

- Forrester Research, Inc.



Beyond Target Audience

People As

Customers

Curators

Co-creators

Of Your Brand Story

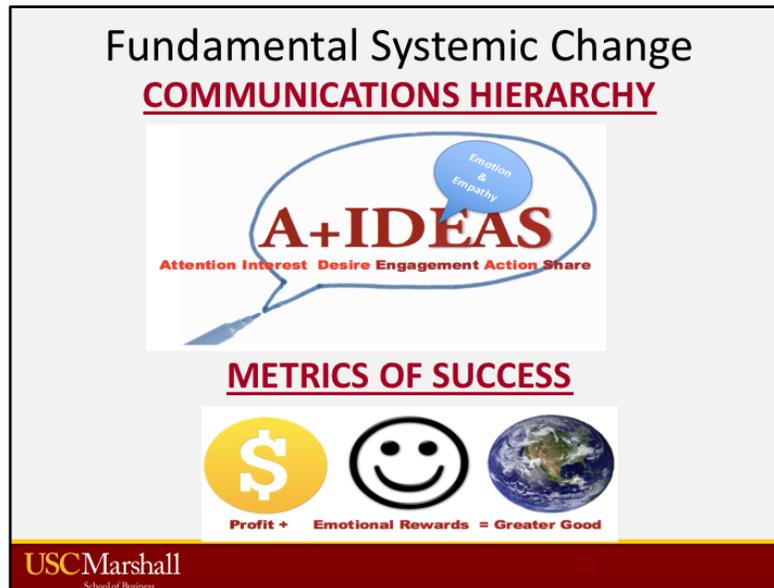
Delivery Systems

NOW:
ON-DEMAND,
24/7
Real Time
Personal

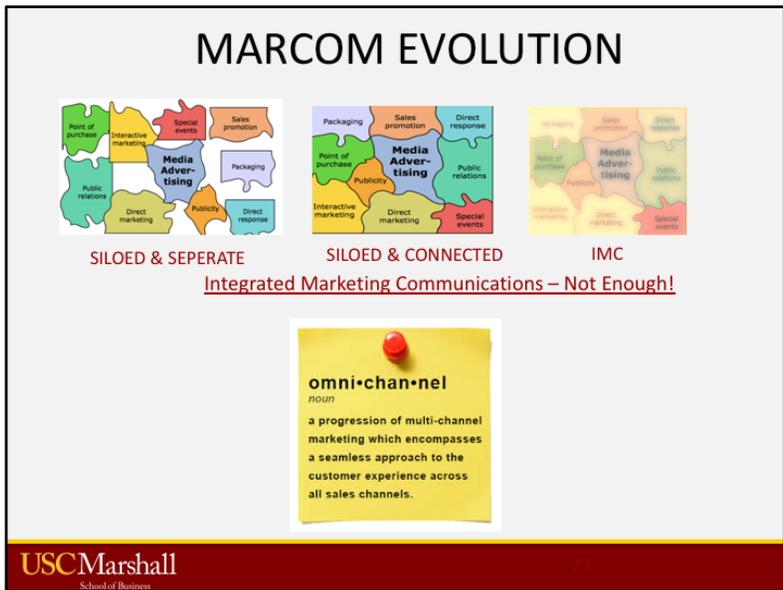


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First the marketing mix. You remember the 4 P's...product, price, place and promotion. Now we've added the fifth P and what I consider to be the more important... and that's PEOPLE. That's not just that a B.S. marketing term. We're beyond simple target audience definitions because people today are curators and co-creators of your brand story. Delivery systems have changed. It's now 24/7 on demand. The consumer never sleeps so Marketing Communications never sleeps because your customer doesn't.



Then we've had a communications hierarchy shift. It used to be Attention Interest Desire Action. But now, that's where we start now. It's where it starts. We also need engagement that drives sharing... content shareability is very important. Consumers must share your story. And then finally the metrics of success have changed, and this is very important. Dollar profit of course still dominates. But it's now just one element of the profit picture. There's also the emotional rewards that you give to employees customers partners and they come together along with your social values and the greater good. The three of them work together today. They're not compartmentalized. They all work together to make that dollar sign even bigger



So marketing communications has evolved. We're in the era of omni channel marketing which is continuous progression that encompasses seamless Multichannel Marketing which encompasses a seamless approach.

Omni-channel Marketing

RIP THE MARKETING FUNNEL

Customers may start in one channel and move to another as they progress to a resolution.
These channel 'hand-offs' must be fluid for the customer.

**Message + Tools + Channels + Devices =
One seamless experience.**

PURCHASE



COMMUNICATE



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This has put the nail in the coffin of the outdated marketing funnel that was based on putting mass consumers in at the top and then progressively filtering them out to the bottom. That's not the way it is any longer. Today it's a continuous circle of messaging and connections that all add up to one seamless experience. RIP the marketing funnel.

Marketing Today

The art and science of creating “profitable” demand by developing engaging value & values based relationships with people interested in your brand by creating and sharing your brand story.

**“RELATIONAL”, DIALOGUE & CONVERSATIONS
PERSONAL EMOTIONAL 24/7**

“It’s about the experience stupid”

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Marketing today is the art, and I emphasize art, of creating “profitable” demand by developing engaging value (benefits you get) & values based relationships (mission & purpose) with people genuinely interested in your brand by creating and sharing your brand story. So it's now relational, dialogue, conversations and personal. It's about the experience stupid. Consumer experience rules.

From Legacy



To Re-Imagine

“If we “were starting this business today in 2016, would you start with one of your major ideas being a paper-based catalog sent through the mail as one of your key marketing activities for a global brand?”

Why Victoria's Secret Won't Be Mailing Out Any More Catalogs A \$150 million expense that no longer spurred sales By Kristina Monillos

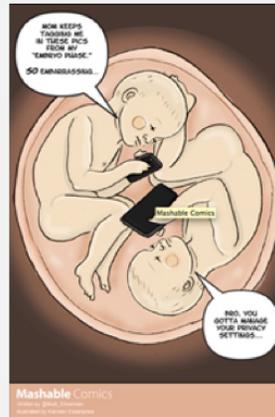


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So today you'll be in an environment where businesses are moving from legacy practices to renovation and reimagination. This cartoon is interesting and reflects reality. It's a lot of old guys sitting around a desk saying “what if we don't change at all and something magical just happens”. It sounds funny but it’s true...Forrester research confirms that 50 percent of the executives and companies are right there. They understand the importance of change but they're not moving quickly enough The consumer is way ahead of brands and businesses and you're going to be part of that big reimagining economy and expertise that's taking place in corporations. A great example of that is the CEO of Victoria's Secret which was very well known for its paper catalog. The CEO had the guts to say let's get rid of the catalog and save 150 million dollars annually. Let's see it makes a difference. He asked, “If we were starting this business today and 2017 would you start with one of your major assets being a paper based catalog sent through the mail as one of your key marketing activities for a global brand?” The answer is a resounding NO . They tested the premise and discontinued the catalog.I guarantee you, from all the clients and companies I've been in, every company has that legacy part of their business operations that they continue just because it's what they’ve always done.

DIGITAL NATIVES 4.0

Mom keeps tagging me in these pics from my embryo phase..so embarrassing.



You gotta manage your privacy settings

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So you are all digital natives and we've just reviewed where we are today. But just think of what's coming next..and fast. This is a fun cartoon from Mashable with twins in their embryo stage: "Mom keeps tagging me in these pictures from my embryo phase. So embarrassing and the other twin says you got to manage your privacy settings." It's of course a joke. But connectivity and digital dependence is starting much earlier in the generations coming behind you and that will accelerate everything that we're talking today

Never Underestimate The Power of Creative Ideas

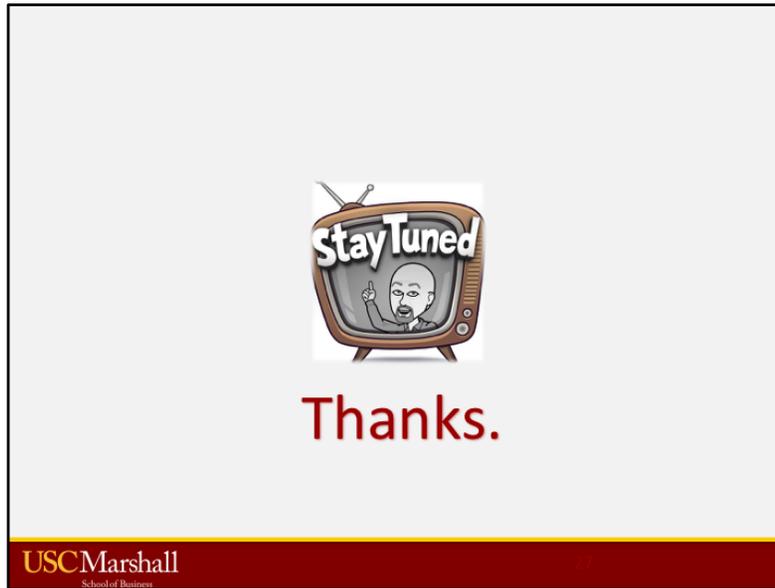
Hang Out With Magicians!!!

"AN IDEA CAN
TURN TO DUST
OR MAGIC,
DEPENDING ON
THE TALENT
THAT RUBS
AGAINST IT."

BILL BERNBACH

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So you've got to be ready and prepared to seize the opportunity. I'd like to close with a thought that has always guided me. Never underestimate the power of the idea! And this is a quote from Bill Bernbach, one of my mentors, is with me all the time: *An idea can turn to dust or magic depending on the people that rub against it.* My plea to all of you is to be magicians, hang out with the magicians and find people can instill in you that passion for that creativity. Do that and you will succeed. Please remember that.



Thanks very much. I really appreciate your attention, and stay tuned.