

Meatball Sundae

Seth Godin—2007.

Executive Summary

- “This is a book about the right question. Not “How do we use the cool new tools to support our existing structure” but “how do we become an organization that thrives because of the New Marketing?”
- ‘If we’re not growing the way we’d like to, how can our business itself be altered?’

Part 1: Thinking about the Meatball Sundae.

THE FOUNDATIONS OF THE NEW MARKETING

- New Marketing leverages scarce attention and creates Interactions among communities with similar interests. New Marketing treats every interaction, product, service, and side effect as a form of media. Marketers do this by telling stories, creating remarkable products, and gaining permission to deliver messages directly to interested people.
- New Marketing treats every interaction, product, service, and side effect as a form of media.
- Here’s the thing: Toy Fair was in February, nine months before the Christmas shopping season. Why such a long lead time? Because the toy companies didn’t show off the toys. They showed off the commercials. The commercials that got the best reception led to toys getting made; the rest were canceled.
- If you buy a pair of chinos from L. L. Bean, drag them behind your car for a few hundred miles, pour grape juice on them, and then cut them with scissors, you can send them back to the store for a full refund. Why on earth would L. L. Bean have a policy that allows such abuse?
- “Which comes first? You find an organizational model that will take advantage of the marketing tools available to you.
- Microsoft’s focus on computer companies and VARs is marketing, the same way an L. L. Bean catalog is marketing, the same way a TV commercial is marketing.
- We make what we can sell.
 - What do marketers do? We spread ideas. We tell stories people want to hear and behave. We translate emotion into action. We close the sale. We make things people want to buy.
- We use the best available medium to reach the right people at the right time.
- Marketers run things. They always have. Sometimes, ‘ though, the people running things don’t realize that they are marketers.
- New Marketing favors some approaches over others. Some tactics, products, services, organizations, distribution models, and stories work better with New Marketing than others do.
- The New Marketing doesn’t demand better marketing. It demands better products, better services, and better organizations.
- Reflect failed for a simple reason. It failed because it was run by P&G. America’s greatest marketer, the king of advertising and in-store displays, tried to build a mass-market business on top of a micro market platform. They overstaffed, over planned, overbuilt, and demanded that

consumers respond in a way they expected. P&G jumped in with both feet, swallowing the hype of the moment, and it cost them a fortune

- While these hurdles would have scared away most manufacturers, Lauren did something smart. He reinvented what he was making to match the retail tactics that would work. So, the Ralph Lauren Outlet Stores:
 - Don't sell all that many leftovers. The clothes are almost all made just for the outlet stores.
 - Don't sell highest-quality items. Instead, there's an entirely different line than the stuff made for Bloomingdale's.
 - Have fixtures that are clean but industrial and cheap. The staff are quickly screened and trained. They don't pretend it's a real Ralph Lauren store. They just sell stuff.
- New Marketing demands a transition 'to a different way of thinking about products and services and how they are invented, designed, and produced.
- What's happening? You can now be rewarded very quickly if you can build something worth talking about. The distance between the brain of the designer and the ear of the consumer is now much, much shorter than it ever was before.
- One group uses the Web to advance its old agenda, while the other group is of and by and for the Web. One is focused on market share, on getting big by controlling the conversation. The other is into fashion, in creating stories that spread because people want to spread them.
- Wal-Mart executives realized that online shoppers had a nearly infinite number of choices, and if Wal-Mart wasn't prepared to be the biggest, best, most useful online shopping outlet, they would fail. So they didn't try. Sure, they do fine around Christmas each year. But they didn't fall into the trap of half-measures. Which makes it even more clear how silly it is for an independent bookstore or a local pharmacy to try to build an alternative that can compete with Amazon on its terms? Amazon is the "all." They embraced the medium and won. Many other companies are the "nothing." They delivered a little less, made some thoughtful compromises in order to straddle competing priorities, but failed because their competition refused to compromise. In a world of choice, compromised solutions rarely triumph.
- This was a critical component of the first industrial revolution—the idea that a business could be more than a craftsman and a few assistants or apprentices. It's easy to underestimate how difficult this was to see then, but even today most businesses have self-imposed (but unspoken) limits on their growth.
- One more time—the entire organization thrives because they built themselves around a different kind of marketing.
- 8CR, the independent bookstore that is now the most influential seller of business books in the country
- Marketing has always been about discovering what people want and need, and telling them a story about how they can get it (from you).
- What we've wanted all along is to be treated with respect and to be connected to other people.

Part Two: Fourteen Trends

NO INSULATION

- Just ask Brooke Kaltsas. She prices jobs for www.webstickers.com
- Inbound communications from consumers demand speed.
- I. But as soon as one player in the industry can use a direct connection to the end consumer, the rules change for everyone.
- While you have no idea if the mail will get read, it's possible to send mail to Bill Gates, to the president of the United States, to the head of a big ad agency, and to Donald Trump. And then what happens? An inbound e-mail is not (just) an expense; it's (also) an opportunity—a chance for your organization to eliminate barriers and have a dialogue with a prospect or a customer. The logical place for a person to start the relationship is with your CEO. She's the famous one; she's the one on the cover of the magazine.
- Cost of acquiring 1,000 names via opt-in newsletters, phone calls, inquiries, and sales force: \$5,000
- For many organizations, interaction with the outside world quickly becomes their most profitable opportunity
- The alternative is to abandon spam-based advertising and instead create a permission asset. A permission asset that's carefully built and maintained is often enough to structure an entire company around.
- Here's the sea change: You have the chance to go from finding customers for your products (the meatball way) to a new way—finding products for your customers.
- Start making products, services, and stories that appeal to the reachable. Then do your best to build that group ever larger. Not by yelling at them, but by serving them.
- Pets.com used every tactic they could find—TV ads, sock puppets, and accelerated e-mail marketing with a veil of permission. They blew through a hundred million dollars by interrupting people who didn't want to hear from them. They failed. Dailycandy.com did the opposite.
- Permission doesn't exist to help you (the marketer). It exists to help me. The moment the messages you send me cease to be anticipated, personal, and relevant, then you cease to exist in my world.
- My permission can't be bought or sold. It's nontransferable.
- I don't care about you. Not really. I care about me. If your message has something to do with my life, then perhaps I'll notice, but in general, don't expect much.
- Privacy policies and fine print are meaningless to me, when I give you my permission to follow up, we're making a deal and you're making a promise. An overt and clear promise.
- Jeff's Dell is a symbol. Like the storming of the Bastille, it has become a totem for individuals who want to remind the Fortune 500 (and beyond) of consumers' increasing power. It's not just that individuals are discovering how much power their amplified word of mouth has. It's that they have wanted it for so long that they are giddy about it.

Consider the 1 Percent

- Today, when a Comcast installer falls asleep on a couch during a job, it's likely to be videotaped and uploaded to YouTube. Today, when Procter & Gamble launches Crest Pro Health

mouthwash, P&G doesn't just have to worry about word of mouth among dentists. That was manageable. Consumer feedback is a different story: The product has already received more than forty reviews on Amazon, almost all of them startlingly negative (it turns your teeth brown, apparently). Here is one of the more positive reviews:

- It can kill your sense of taste (foods taste kind of “metallic” the next day after you use it) It does stain teeth. I've had perfectly bright and shiny teeth all of my life. After using this product, I started noticing small brown stains appearing on several teeth. Fortunately they are more towards the middle and back, but I am still not very happy, and I hope these stains fade with time.
- With fiends like these, it's not clear you need reviewers. The fact is, you're always on the record, everyone is a critic (or could be), and the Web remembers forever.
- Here's the fundamental shift that I hope every marketer will understand: For the first time ever, blogs convert readers and viewers into writers. And YouTube turns them into directors.
- **Let me be super clear** here: A post on a blog anywhere in the world could very well rank higher in a Google search than information on that same topic on your company's Web site. Which means your point of view disappears, and the point of view of some blogger comes across instead.
- The easiest way to understand blogs (text, audio, or video) is to understand that they (finally) connect three real desires: to hear our own voices, to be heard by others, and to hear what the crowd thinks.
- Showing up on the front page of Digg means that you've received more votes than any of the other thousands of 7 pages nominated at the same time. This also gets you about twenty thousand new visitors to your site in less than a day.
- The question, then, isn't how you get Digg. The question is, how do you make stuff worth Digging?
- Big numbers matter when you run mass ads that are ignored. Small numbers are just fine when you deliver powerful messages with permission.
- Sure, some people choose to stand out, but most people, most of the time, want to be like most people, most of the time.
- **Consumers hear about organizations** from many sources, not just one. As a result, you have to get your story straight. Saying one thing and doing another fails, because you'll get caught.
- The Web remembers what an unhappy customer posted about your customer service people—even if that event took place three years ago. Sort of like Santa Claus, but without the gifts.
- The death of mass marketing is partly due to the plethora of choices and the deluge of interruptions. As a result, complex messages rarely get through. (This section is extra short, of course.)

SHORT BOOKS, SHOWS, COMMERCIALS, AND IDEAS

- That means that if an apartment doesn't sound perfect after just a sentence or two, it's easy to glance down at the next ad.
- **You may not have** heard of lulu.com, either. This startup will take your manuscript and turn it into a book—a book that looks just like one that Random House would publish. They'll give you a storefront online to sell it from, and an ISBN so you can take orders from any bookstore in the world.

- A company like thoughtequity.com
- In my corporate speeches, I often tell the audience, “Raise your hand if your organization offers more SKUs (stock keeping units) than it did five years ago.” Every hand goes up. The point of the exercise is the sad news that more variety equals more clutter, and yet marketers are dealing with clutter by making more of it.
- —Another way of looking at it: More people watched more video on YouTube last week than watched the top ten shows on network television.
- This curve shows up over and over. It describes travel habits, DVD rentals, and book sales. Give people a choice and the tail always gets longer. Always.
- Online shopping gives the retailer the ability to carry a hundred times the inventory of a typical retail store.
- All the Internet has done is make the fulfillment of this wish universal. Many consumers spoiled by Amazon have a very hard time shopping at a “real” store. They know they ought to be able to instantly search the entire inventory, to find relevant items in proximity to the ones they are already looking at, and to have every single item available for purchase at the same time in the same place. They also want to buy it all with one click. What Richard Sears discovered is that a catalog frees a retailer from physical constraints. By putting a retail store in millions of homes (and having a centralized warehouse). You can profitably stock far more items than a traditional store ever could. The Internet takes that equation and amplifies it. It permits niche sellers to pursue the same strategy that Sears took, but even deeper.
- It’s not about what you think the market wants, or what you want the market to want. It’s about creating and assembling a collection of goods and services that captures the attention (and commerce) of the people who truly care.
- When did you last buy from Flextronics?
- What Katherine Harris learned as a candidate is something that every organization is going to learn soon: You can harness the power of thousands of people for very little money. But this is no substitute for honesty, passion, and authenticity.
- The bundles slow us down in our search for precisely what we need.
- An interesting sidelight: Even though many people (even most people) don’t find everything via Google, the group that does is big enough to have already changed the world for everyone else. Once a marketer or a manufacturer or a group realizes that they must present their atoms for inspection, the philosophy behind bundling starts to fall apart.
- The folks at Blendtec have taken advantage of the myriad new channels of communication by creating a series of short videos called “Will it Blend?” Each video features Tom Dickson, CEO of the company, dressed in a white lab suit. Tom’s son, CEO of the company, dressed in a white lab suit. Tom’s accompanied by really cheesy 1950s music as he proceeds to blend golf balls, coke cans, a rake handle, and credit cards. In one memorable episode, he blends an entire rotisserie chicken (with some Coca-Cola to make it drinkable).
- George Wright, head of marketing at Blendtec, got the site made. His webmaster posted the videos on YouTube. Total cost: perhaps six hundred dollars (including the cost of buying the video camera—and the rake and marbles!). Within five days of the launch of the site, it had spread worldwide and reached hundreds of thousands of people. Viewers to date: more than 62 million.

- **In order for a consumer** to make a decision, two things need to happen. The second is that she needs to determine that it's worth the time or money or risk to take action. But first, she needs to know about the opportunity.
- Each search is its own "channel." Each search represents a distinct marketing vehicle, a chance for an individual to directly connect with a marketer.
- Every single order has a 40 percent chance of leading the recipient to log on and send another order to someone else.
- Matchingdonors.com is a connector. There are more than 3,575 donors already signed up, at the same time that more than 90,000 people are waiting impatiently on the UNOS list. By providing the introduction between both sides of the equation, founder Paul Dooley adds value for everyone.
- The very idea of a pastime is passé. We don't need to look for things to use up our spare time because we don't have any.
- Murder Ink could have saved time for a mystery lover in Kansas by delivering monthly picks by e-mail, with fast and easy selection of must-read books. Murder Ink could have leveraged the attention of their reader base by working with publishers to create books and events that were exclusive to the store. They could have built trust among their customers and started a regular book club. They could have empowered their intelligent, passionate workforce and turned them into bloggers and guides for the rest of the world. And they could have engaged the community and made the store a natural water cooler for an entire genre, instead of just a piece of real estate in Manhattan.
- It demands ideas that force people to sit up and take notice.
- Let's be really clear: The Web is the single worst medium ever devised for interrupt people who don't want to be interrupted. It costs too much, it takes too long, and it doesn't work.
- Marketers who are in sync with this tool realize that it won't let you do the old thing better. What it will let you do is find people to spread the word for you. What the New Marketing enables is a process where marketers can activate the interested and turn them into campaigners for your remarkable products. So you're going to need to give up on pushing and start working harder on cajoling.
- **If I want something** ordinary, then it better be cheap. Can get cheap and ordinary by the gallon at Costco. On the other hand, today's spoiled consumer is willing to pay almost anything for the exclusive, the noteworthy, and the indulgent.
- YouTube and other Internet media services fundamentally alter the equation. On December 27, 2006, on a slow week between Christmas and New Year's, more than fifty thousand people tuned in to Edwards' announcement on YouTube. This is far more than would have actually watched a television commercial on the same topic. (Not been shown, but actually watched, a commercial.) And id Edwards was able to run a message that lasted more than half an hour—for free—^with much more impact than a TV commercial could ever deliver.
- The Sick Puppies were a little-known rock group out of Australia. They had no major-label promotion and no radio airplay. Then, a creative soul who calls himself Juan Mann made a video. The video featured a slightly disheveled man in an outdoor shopping mall, holding a sign offering Free hugs. The video was posted on YouTube. The soundtrack was from the Sick Puppies. The video has been watched more than 6 million times and turned the band's records from cutouts into bestsellers.

- **Haworth Zody** chairs for review to prominent people in the Internet community and I was wondering if you'd be interested in receiving one. I know this isn't exactly related to what you typically discuss, but I thought you might be interested since nice and trendy office chairs have become a part of the business culture. We only ask for two things: that you write a review of the chair and that you include a link to our Zody page.... You have absolute control over the content of your review whether you love it or hate it. The chair will be yours to keep or do with as you please.
- The **chair costs about** six hundred dollars. In exchange for the chair, I'm supposed to give them a review (an honest one) and a link back to their site. This is a great deal for them, and I'm sure that some hobbyist bloggers can't resist the free chair. But it smells wrong, and it's not a scalable, practical way to build a business. Bloggers who do this regularly will quickly lose their audience, which, after all, is the only asset they have. If it were me, I'd take a longer-term approach. First, I'd identify the blogs that actually do have an interest in what I'm trying to have featured. And then I'd read them. Over time, I'd start interacting with those bloggers. Submitting relevant links that have nothing to do with my company. Posting comments on the field in general. Becoming part of the circle—a contributor, not an interloper.
- **Then, months** or even years later, when I have something relevant to add, I can send a truly personal note to someone I've interacted with. And that note will get read and thought about and perhaps even posted. The advantage of this medium is that almost everyone is approachable, far more than someone at the New York Times. But approachable doesn't mean you can gain by spamming folks, no matter how generous your offer might be.

Part three: Putting it Together

THINKING ABOUT WORDPERFECT

- He would realize that while mass media is dying, micromedia is thriving, and connecting micromedia moguls to each other can be quite profitable.
- He might instead invest in building direct, personal, permission-based relationships with millions of people—to become a new kind of gatekeeper, one that isn't supported by the artificial scarce provided by the FCC.
- What almost everyone else who has succeeded in the last decade has done is work the grapevine.
- Make something worth talking about; and make it easy to talk about.
- Today, the center of the market is rapidly hollowing out. Instead, success belongs to the exceptional products. Exceptionally expensive, exceptionally designed, or exceptionally great sounding. The word of mouth online lives on
- Epinions.com makes it easy for your users to post reviews in a place where everyone will see them, and it saves you the trouble of building your own review software.”
- **Any organization** in the world can encourage their users to post pages here about products and services. It's like the Yellow Pages, except it's free. But many organizations resist the YouTube/Epinions/ Blogger/Squidoo call. They want to build their own, to control it, to do it themselves. After all, they argue, this is a strategic asset, and they shouldn't be sending users to a public place, a place they don't control, when they can try to keep them on the site instead. Except it doesn't work. It doesn't work for two reasons. First, you're not in charge. People don't care about you. They care about themselves and their community and their audience. Second, just

like the Yellow Pages, these sites work better when they're centralized and connected, not when they are spread out and disconnected from each other.

- The Web isn't like that. When George Wright decided to launch the "Will It Blend?" series on YouTube, nobody told him to; no salesperson came in for some meetings and sold him on it.
- The March of Dimes runs a site called shareyourstory.org. The site collects real-life stories of parents who have had their children treated in the natal intensive care unit of a hospital. This site offers support for families who really need it. And it wasn't started by the CEO of the March of Dimes.

Case Studies

EVDO!

- EVDOforums.com is a free bulletin-board site packed with thousands of messages on a variety of topics having to do with EVDO. Please note: They don't rank highly in Google because they manipulated the system. No, [EVDOforums](http://EVDOforums.com) ranks highly because they deserve to. It's organic search engine optimization—they attract traffic because they've built a clearinghouse for free information.
- It turns out that EVDOforums.com is owned by (and thus sponsored by) EVDOinfo.com. You'll see their name on every page, along with a link to their shopping site. They've been in business since 1988 and are committed to the long haul. The forums have more than five thousand registered users (which probably means that there have been half a million viewers, given the 1-percent rule). It's not unusual to find a hundred registered experts online on a slow Sunday afternoon.
- -That's not unusual. After all, three thousand books are published every week in the United States.
- What's noteworthy about *Recording the Beatles* is what the authors didn't do. 1
- And more important, using the Web, the audience knew where to find them: (www.recordingthebeatles.com)
- Understand this: With revenue of over \$300,000 to date. *Recording the Beatles* has generated more revenue than 97 percent of all books ever published. And unlike other books, most of this revenue goes to the authors.
- The mountain's Web site is wide open, inviting the (mostly) young audience to design the future of the mountain. This is the group that decided to keep the place open under the lights to nine p.m. and that argues about rock climbing and other summer activities that ought to be offered. The mountain's MySpace page has hundreds of registered fiends, and the nascent bulletin board has more than six hundred registered users.
- The tools were available to every single ski operator in the United States. But it took an outsider to realize that committing to a completely different strategy was the only way to restart the game. In the words of Marc Vitelli, who designed the most extreme obstacle course at Echo, "The only way to learn how / to stomp tricks is by going huge and embracing the occasional yard sale.
- As our society gets more connected, it is also getting more fragmented. You can find just about anything online, billions of tiny niches. But the niches that mm a profit are the ones that attract a crowd, that establish themselves as the best in the world. Critical mass is a lot smaller than it used to be.

- They persist, hoping that “critical mass” will solve their problems. It doesn’t usually happen. For example, if you buy \$200 worth of ads on Google and sell \$15 worth of stuff, why will buying \$2,000 or \$20,000 worth of ads get you a better result? It won’t. There’s no critical mass at work here. Scale offers you no value, and repetition actually decreases your results. Failing for small audiences is a loud cue that you will fail even bigger with big audiences.
- The Critical-Mass Checklist
 - Do more users benefit the other users by bringing down prices or increasing the power of communication?
 - Are we falsely relying on the masses to solve problems that are obvious when we have small numbers of customers?
 - 5. How can we lower the number of users we’ll need before the benefits of critical mass kick in?
 - Does style matter? Are we betting that people will become our customers because “everyone else is doing it?” If so, how do we realistically cross that chasm?
- The first lesson is the biggest one. We understood that we weren’t in charge. We couldn’t be, because we didn’t have the money to command people to listen to us. Instead, we focused on creating an environment where other people could have a conversation, and we worked hard to offer enough value that people would choose to have the conversation in our place—and to make it about us from time to time.
- It doesn’t particularly matter whether or not you sell records or do recordkeeping, whether you surf the Web or sell surfboards. It’s still the same math. Consumers are in charge. They’re bored. They’re narcissistic. And they certainly don’t have the patience for your meetings or your strategy decks or your clueless CEO.
- First one in, doing it right, wins. C’mon in, the water’s fine.
- The question you shouldn’t be asking is, “How do I find someone like Armand?” Instead, the question needs to be: ‘How do we create a product that someone like Armand becomes obsessed with?’
- Direct communication and commerce between producers and consumers. After my family spends fifteen thousand dollars on a Disney vacation, do I hear from you again? If so, is it with anticipated, personal, and relevant messages? Do I get treated better or worse than someone who has never been to Disneyland before? And what happens if I go to see Monsters, Inc.? Is there a follow-up?
- Amplification of the voice of the consumer and independent authorities. If I’m looking for movie reviews or a response to a 20/20 story, is there a Web site that makes it easy to find? If so, do you host it? And how hard are you working at treating every single visitor to a park as if she is an influential blogger?
- Need for authenticity as the number of sources increases. How does the company act when no one is looking? Will the Disney brand hold up to scrutiny as you enter new markets and more people are watching?
- Infinite channels of communication. Does Disney intend to keep all its eggs in the TV basket? How does ABC invent a hundred or ten thousand mininetworks on YouTube? How about building and maintaining a thousand advertiser-supported blogs?
- Direct communication and commerce between consumers and consumers. What markets and exchanges is Disney running? Why do I need to sell my collection of Winnie the Pooh autographs

on eBay? How can a fan of one of your TV shows or movies turn around and make that passion into a business?

- The shifts in scarcity and abundance. Why do I have to wait in line to ride Space Mountain? I'd gladly trade money for the privilege of cutting the length of my stay in a park in half.
- The triumph of big ideas. Outside of partnering with Pixar, Disney hasn't had many big ideas lately, has it? Who is digging deep and reinventing the various media you work in? Before Walt invented theme parks, families spent almost no time there. Before he I got into TV, kids watched almost none of it. What's the next big idea about how people will interact and entertain themselves?
- If the New Marketing can be characterized by just one idea, it's this: Ideas that spread through groups of people are far more powerful than ideas delivered at an individual.