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Marketing to the Choir

Convince customers that your company serves a greater good, and they'll become loyal advocates. Just don't fool yourself.

By **MARC LEVINSON**

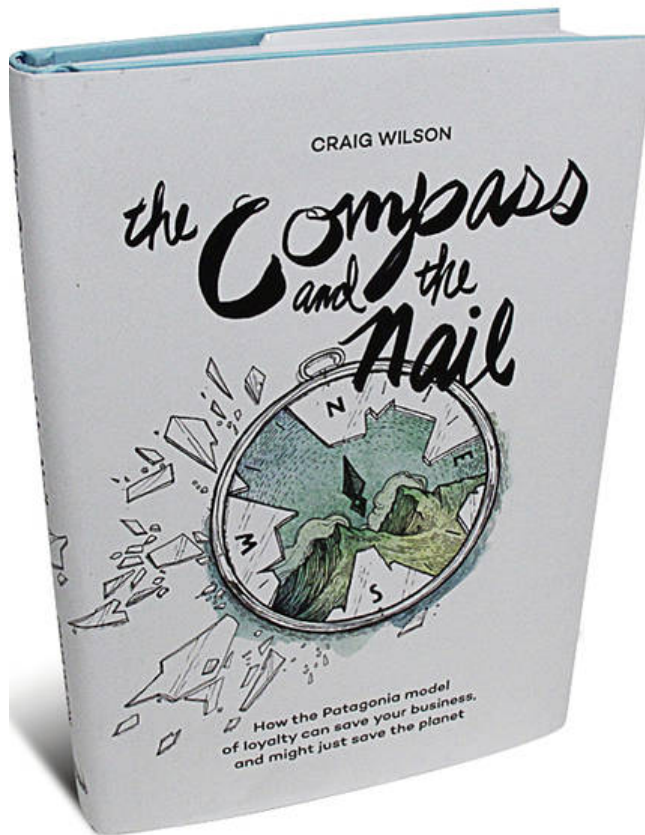
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In some ways, shopping is better than ever. If I buy online, my choices are nearly infinite, there's no need to spend time and gasoline going from store to store, and my order will conveniently appear at my door. If I shop at a bricks-and-mortar store, the merchant may drop its prices to match Internet competitors, or it may find what I want at another location if it happens to be out of stock. As a consumer, I feel pampered.

Yet in one important way, shopping has changed for the worse. Back in the day, I could obtain the goods or services I desired, put cash on the counter, and walk out the door, all while remaining quite anonymous. Now that's not so easy. Every time I visit a retailer's website, check in-store prices on my smartphone, or use my credit card at a cash register, I leave tracks the seller can follow. A store can bombard me with email, load my computer with cookies so I'm confronted with its ads everywhere I go online, and even manipulate the price I pay based upon whether its computers think I'm such a committed customer that a few more dollars won't deter me. I may want nothing more than to complete a transaction, but the merchant feels entitled to have a relationship.

Craig Wilson is big on relationships. A former marketing executive at Patagonia, the outdoor-wear chain that makes a fetish of its environmental rectitude, he now consults for companies on marketing. In "The Compass and the Nail," Mr. Wilson distills his experience into a few big ideas. They boil down to this: Persuade your

customers that by doing business with you they're doing good for the world, and they'll shovel money your way. The compass and nail of Mr. Wilson's title come from Sir Walter Scott, who warned two centuries ago that placing one near the other will sway the compass and wreck the ship. Mr. Wilson applies this metaphor to marketing. A successful brand, he insists, requires a "true North," a set of values that resonates with a specific audience of consumers.



Analytics-based marketing, pioneered by the likes of Amazon and Netflix, misses this point, Mr. Wilson says. They drive customers to make purchases that they will eventually regret. "Consumers are individuals, and when given an opportunity to consider who they are buying

THE COMPASS AND THE NAIL

By Craig Wilson

(*Rare Bird*, 229 pages, \$23.95)

from, what the people they buy from believe, and their own active responsibility in that equation, they will choose belief over all other attributes, which in turn is a greater measurement of value than price,"

he insists.

The marketer's job, as Mr. Wilson explains it, is to advance "customer activation" by persuading consumers they are doing business with a company that expresses their shared values in its products, its advertising, its ways of doing business. Once customers are persuaded of a company's values, they will become "brand advocates," not only buying but also talking up the company. Of course, a company cannot achieve this unless it truly is motivated by principles and values, as Mr. Wilson believes that Patagonia is or was (the book was written

long before the recent accusation by Greenpeace, the environmental group, that Patagonia and several competitors are using toxic chemicals in their outdoor clothing).

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So there is a three-step process. First, you convince yourself that while your company wants to make money, it's in business to serve some greater good. Second, you convince your customers of the same. Third, having turned some fraction of your customers into brand advocates, you rake in the dough. "One of the greatest benefits of having loyal customers," Mr. Wilson explains, "is the fact that they pay premium pricing. Generally speaking, within non-commodity categories, half of all customers will pay a 20% to 25% premium for their favorite brand before switching to another. That's a lot of money." Mr. Wilson cites Lululemon, Whole Foods, and Harley Davidson as examples of firms that have turned their customers into advocates in this way.

It doesn't strike me as shameful to admit that a business is in business to make money. Mr. Wilson, though, insists that businesses succeed by "manifesting purpose." Thomas Edison's purpose, he claims, was not founding a company but rather blessing the masses with cheap electricity, while Henry Ford's was to create affordable transportation, not to make a profit. This is historical fiction. While Ford said platitudinous things about making low-priced cars for the masses, he was not shy about making a buck; as he told this newspaper in 1936, "Profits are not financial—they're social. Everybody profits from industry."

Mr. Wilson's approach to marketing is actually rather contemptuous of customers, whom he regards as "lemmings" who must be guided to what is good for them and the world. "The preponderance of consumers are still making bad choices, choices that cost us all dearly and spur on companies to supply the ill-informed and ill-fated demand," he writes. Fortunately, master marketers are here to help customers—for the good of society, of course.

"The Compass and the Nail" is marketing for marketers who've drunk deeply of the corporate Kool-Aid. As I read it, I could not help but think of the bank that once employed me, which was inspired, back around the turn of this century, to plaster the slogan "The right relationship is everything" on its advertisements, its mortgage applications, even its junk-bond research. Perhaps management believed this line. But I don't recall ever meeting a client who did business with us because she fancied that our bank shared her values.

Mr. Levinson is author of "The Box: How the Shipping Container Made the World Smaller and the World Economy Bigger."

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