

10 Principles of Modern Marketing

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The marketing field has changed dramatically in recent years in direct response to the way technology has affected the wider practice of management. Technology now affects virtually every facet of how organizations design, plan, execute, and measure their marketing efforts. While every industry has changed — consumer products, financial services, durable goods, and others — the technology industry, by virtue of its fast-paced, innovative nature, tends to lead the charge when it comes to marketing transformation and has become the model

for modern digital marketing efforts. Changes in the marketing of technology products are important not only for those marketers looking to hone their craft in that industry but also for marketers in other industries seeking to acquire new skills and practices.

With more than 30 years of experience each in the practice or study of technology product marketing, we set forth a set of principles that reflects both classic and new approaches. We illustrate these examples with several firsthand examples from **Adobe, a technology marketing pioneer** and enduring market leader, as well as other top technology companies such as Fitbit, Intel, Intuit, Red Hat, and Spotify.

Technology Is Just the First Step

Technology has changed everything. Fundamentally, it allows for new ways to **create customer experiences**, new mediums to **connect with customers** and other constituents, and trillions of data points to understand customer behavior and the impact of marketing programs and activities. Yet, with all that progress, we are still only at the tip of the iceberg in terms of the profound impact technology will have on the future of marketing.

Even though technology is becoming only more advanced and disruptive, marketers of technology products must realize that technology is only the first step. To fully realize the potential of technology, it takes **transformation across people, processes, and technology**. Only by recognizing all three forces will modern marketers reap the full benefits that technology can have on marketing transformation.

There is no question that technology is critical to business success for virtually all organizations today, especially for those in the business of marketing technology itself. To thrive in this new era, it is imperative that marketers **embrace developments in technology** and test and adopt new advancements that fit their business — whether AI, or voice, or augmented reality — before they lose a competitive edge. At the same time, mastering technology is not the only criterion for success in the modern marketing era — the right people and processes must also be put in place to properly develop, manage, and nurture the benefits of that technology.

In terms of people, today's marketers must possess many traits. They must be curious, flexible, agile, and nimble. They must be willing to be change agents, always looking around the corner and helping to scale transformation as champions for change. The status quo for any marketing job is no longer enough — continuous development of new skills for all marketers is critical. Adobe, for example, encourages skill development in a wide variety of ways, including job rotations with new roles every few years, internal training and learning programs, in-house Q and A sessions with external customers for outside-in perspectives, and a quarterly learning and development newsletter.

The marketing organization as a whole, however, also needs people with diverse skill sets and expertise in key areas. Managers should ensure their marketing teams include members who bring creative and analytical capabilities, as well as individuals who can play newly evolved roles on a team — whether that's someone skilled in web development, data analytics, e-commerce, or new media. Many of these jobs didn't exist four or five years ago, and even if they did, they have changed dramatically in recent years.

Further, while these new, specialized jobs have emerged, marketers must also be able to take a broad view of marketing strategy. The dynamic cross-channel nature of marketing today requires that campaigns be integrated and connected across every channel. In short, it's incumbent upon marketing management in all companies to train and re-skill their people, as well as bring in new talent and leadership in specialized areas.

Processes must also change for technology organizations. Today, the customer-decision process is becoming more complex and varied. As the customer journey becomes increasingly nonlinear, the organization must change to reflect that. In a more complex marketplace, internal organizational lines need to be redrawn. Silos must be broken down and cross-functional relationships established so that marketing works seamlessly across other groups in the organization such as IT, finance, sales, and product management.

Marketing can benefit from the output of these other groups and also contribute to the groups' effectiveness and success at the same time. For example, to improve the reliability of financial forecasting, marketing can share early-warning lead indicators that have been shown to

affect bottom-of-the-funnel behaviors and ultimately revenue (for example, the number of customer visits to company-controlled websites). And unlike ever before, marketing can now demonstrate its impact on the business, validating the ROI of every dollar to peer groups in the organization and becoming a strategic driver of the business.

All these changes, however, require that technology organizations operate differently. As will be developed in greater detail below, they must learn to be agile, take risks, fail fast, and apply lessons. They must also learn how to get the most out of a data-rich world by testing, optimizing, and activating.

Experience Is the New Brand

With traditional marketing, the customer-decision and company-selling process was comparatively simple with customers entering into a company's sales and marketing funnel and making various choices along the way to becoming loyal, repeat customers. Today, although having great technology products is and always will be of paramount importance, every surrounding customer touch point online and offline — as wide-ranging as a tweet, product download, in-store purchase, the company's social purpose, its executives' behavior, and the corporate culture — can shape experiences that define a brand for customers.

Marketers operate at the intersection of many of these customer experiences and are uniquely positioned to help steer the future directions for brands. In doing so, marketers of technology products cannot just worship the product alone and be transactional in their customer

interactions. They must create full-on, immersive experiences for customers that build strong ties to the company and the brand as a whole. Experiences are the new competitive battlefield and a means to create powerful differentiation from competitors.

With technology products, seamless product installation and operation, in particular, is absolutely critical. If customers cannot successfully use a company's products, there will be no value realization, and they will eventually switch to products from other companies that they can more easily access and use. Beyond designing products that are as easy to use as possible, technology companies must have a wide range of support and services for customers to help them with product installation and use, employing ample training resources as well as informative forums, social channels, and websites.

Adobe, for example, takes enormous efforts to educate its customers so that customers know how they should use a product, fix any problem that arises, and deal with any special situations that occur, all as quickly and easily as possible. The company does as much of this as it can through digital, using lots of video across YouTube, Adobe.com, and every other digital channel where customers are present to help them learn and master its products.

Other companies such as Buffer, Wistia, and Mailchimp similarly put tremendous emphasis on customer education and ensuring customers have the best product experience possible. For example, Fitbit has combined sensors, wireless technology, software, and services to pioneer the connected health and fitness market. To help customers take full advantage of Fitbit and lead healthier, more active lives, the company uses social media and the

support of a strong community, in addition to telephone, email, and chat customer support, to both impart and collect information about product usage.

A New Type of Customer Relationship Prevails

The reality of customer-brand relationships today is that they have evolved from single, interspersed interactions to always-on, symbiotic, and immersive relationships. Customers own the brand in many ways as much as marketers do, and it is every marketer's responsibility to make customers an integral part of the company's brand equation by asking for continuous feedback, listening to it, and cocreating with them. What exactly do customers want from a brand? What do they not want? Marketers don't have to always do what customers say they should do, but if marketers don't, they need to tell customers why.

Consider this Adobe example for managing customer expectations. When the company moved from Creative Suite software to the Creative Cloud subscription service, some customers were not happy with the switch. They were attached to their packaged software and the up-front purchasing model they had known for years, so there was, understandably, apprehension about what this change meant for them. The response in some markets where digital subscriptions were not yet the norm was particularly pronounced.

The only way to deal with this reticence to change behavior was to **offer maximum transparency and provide a lot of information**. This required Adobe to get really close to customers — on online forums, on social channels, and through live events — to understand their

reservations and concerns. After the company internalized their feedback and understood the insights driving the apprehension, it was able to clearly articulate its response.

Specifically, Adobe ensured that the ongoing value and innovation that a subscription model offered was thoroughly communicated at every touch point. Instead of investing in one big marketing push every two years to align with a major launch, Adobe focused its marketing strategy to support a subscription model with ongoing educational and inspirational campaigns that built an ongoing customer relationship. Over time, the product value alone, supported with stronger customer relationships, helped customers become satisfied with the subscription model. While no company can please every customer every time, seeing issues through the lens of a customer and acting upon those insights is critical to establishing mutually beneficial long-term relationships.

A strong customer relationship requires that marketers deeply understand how customers think and feel, not just about their products or services but about what they are using the products or services for and how they are actually using them. It requires keen insight into customer motivations and behaviors — the problems customers are trying to solve and the goals they are trying to achieve.

A pioneer in customer-centric technology marketing, Intuit has applied its strong belief in customer empathy and its Design for Delight (D4D) design principle to create a more enjoyable user experience across its entire product portfolio. Notably, Intuit's TurboTax tax-preparation software has become a market leader by tapping into the emotional relief from taking a dreary but

unavoidable task — tax preparation — and making it as painless and pleasurable as possible. Based on keen customer insights, TurboTax is designed to be friendly, personal, and easy to use across multiple platforms to create a positive customer experience in filing taxes and maximizing tax refunds.

Connect With Customers Online and Offline

In technology, when selling fairly complex products, the company is responsible for owning customer success. The amount of data available today mandates that every brand knows its customers and caters to them at every possible touch point, but at the same time, it is still important to actually meet with customers! No dashboard alone can provide the same rich insights as an in-depth conversation with an engaged customer. Along with traditional qualitative methods like focus groups and research, Adobe has found that even though we all live in a digital-dominant world, live events are far from dead. The company sees unprecedented levels of engagement at its events around the globe and continues to outgrow every venue it selects, because it will probably always be the case that nothing beats the power of companies and their customers coming together in person to learn, get inspired, and have a little fun.

Value Creation, Communication, and Delivery Still Rule

Perceived value — especially with complex technological products — can be difficult for customers to assess. Formally, perceived value is all the different benefits gained by customers from purchasing and using a

product as well as all the different costs saved. These are not just financial benefits and costs but also psychological, social, emotional, and other types of benefits and costs. Note that value creation is only necessary, but not sufficient, for marketing success. Value must also be effectively and efficiently communicated and delivered.

When marketing technology products, it's important to find ways to simplify the explanation of product functionality and performance and the resulting benefits gained — or even costs saved — to aid customer understanding and appreciation. For example, one of the keys to the success of the Intel Inside launch was that it employed the powerful metaphor of microprocessors as the brains of a computer. Even if prospective customers didn't know what a microprocessor actually was or did, they could still appreciate the fundamental importance of having the smartest brains.

Data and Testing Are the New Lifeblood

To be a great technology marketer in today's digital world, it is important to build a culture of testing. It is a gift to be able to test all the time and to learn and activate quickly as a result. Adobe does this in many ways:

- From a *product* perspective, Adobe does active beta testing with its customers, releasing versions of its software into the market and actively engaging with customers during the beta period to solicit feedback, add new functionality, and shape product road maps.
- From a *marketing mix* perspective, Adobe applies state-of-the-art econometric modeling, as well as real-time attribution modeling, to test, predict, and

ultimately validate the right levels and mix of media investments.

- From a *marketing* perspective, Adobe uses data to build more precise segmentation models based on factors such as the type of content customers create and engage most with and their stage in the customer journey to offer more personalized, relevant experiences — a valuable asset in today’s digital world.

Adobe is not alone in using data analytics to drive marketing experimentation. Amazon, Capital One, Netflix, and Pandora famously run thousands of tests to optimize their marketing efforts. To successfully activate these different insights to improve the customer experience, it is imperative to also work across the organization to integrate data and build real-time data models and decision-driving dashboards. That requires blending marketing inputs like behavioral data (for example, social, PR, web data, and media performance) with inputs from other areas (for example, sales, CRM, in-product, and finance). In today’s world, marketing simply can’t operate in a silo.

Despite all this data science, however, there is still an art to mastering marketing and managing customer relationships. Not everything can be automated, which is why robots will never be programmed to do marketing on their own. Instinct and judgment still — and always will — matter.

Creativity Remains King

Despite all the transformational technological change that has created such a data-rich world for marketers, there still also needs to be great creative in marketing. The

emotional hook that marketing has always been able to create with customers absolutely remains necessary.

There’s a myth that all creatives hate data. That may have been true in the past, but many modern creatives actually like to see the impact they’re having, whether it’s looking at social-sharing metrics or larger data sets capturing online behavior. They understand that creativity can be sparked by data and that their creative output can become stronger by adapting it to market input. McKinsey & Co. has reported research showing that companies that successfully manage to integrate creativity and data report a “two-times difference in revenue growth.”¹

Creativity does not have to come just from within a company either. The most successful brands today are shaped by the brand’s community of customers and partners as much as they are by the company itself. Cocreation in all forms can fuel the creative process — whether directly with customers or in collaboration with like-minded partners, bringing a benefit to both entities. Consider this Adobe example:

Adobe teamed up with the band Imagine Dragons to commemorate the 25th anniversary of its industry-leading video-editing software, Adobe Premiere Pro. It granted its community exclusive raw footage from the band’s megahit “Believer” and challenged them to recut it for the chance to win \$25,000. This sort of campaign had never been done before, and although editing a video can be a difficult undertaking, the company received thousands of submissions from around the world, a testament to the power of a novel concept, a well-liked partner, and the vibrancy of a strong community.

Don't Try to Do It Alone

In a complex and challenging marketplace, it can be difficult for technology products to go to market on their own. It helps if they can benefit, directly or indirectly, from being part of something bigger via their inclusion in a platform or as a result of collaboration with others. Platforms consist of combinations of different interrelated products and services provided by the company. The benefits created by the platform as a whole can enhance the value of any one of its individual components or products.

Collaborations — external alliances or joint ventures with third parties — can also provide value for a technology brand. Adobe's enterprise business could not scale without its large partner ecosystem that helps customers implement and realize the most value out of complex enterprise solutions through product integration, training, consulting, and so forth. One of Adobe's largest enterprise partnerships is with Microsoft, which brings together complementary technology, customer segments, and go-to-market strategies to achieve greater market scale. Through these synergies, customers have access to custom integrated technology solutions, teams, and expertise that enable them to deliver seamless, secure, relevant experiences to *their* customers, and the two companies benefit from complementary areas of market leadership.

In a complex technological world, acquisitions are also often critical to bring needed technical capabilities and expertise. Spotify's phenomenal growth has been driven, in part, by shrewd acquisitions that allowed it to create a richer, more complete, and more integrated customer experience. The acquisitions of long-term partner Tunigo, and its technology to allow users to manage playlists

moment by moment, as well as The Echo Nest, and its machine learning technology to make musical recommendations and predictions, both helped improve the Spotify customer's listening experience and musical discovery.

Have a Bigger Purpose: Do Good

Increasingly, customers expect the companies they do business with to be doing good in the world, too. Since Adobe's beginnings, its founders have made significant donations to causes that were critical to its mission. This emphasis on social impact is deeply embedded in the company's culture to this day. Beyond concerted programmatic efforts to promote causes such as sustainability and diversity and inclusion within the organization, Adobe recognizes the positive impact its products can make in the world as a whole. Consider these examples of how Adobe finds ways to use its products to have greater social impact.

- After the devastation wreaked by Hurricane Harvey, Adobe teamed up with a group of students to restore victims' family photos using Adobe products. The victims had lost every physical possession, but through the power of technology, they were able to receive restored — and treasured — family photos.
- Adobe works closely with the National Center for Missing and Exploited Children (NCMEC) to use Adobe software to do age progressions of missing children, enabling authorities and the general public to better recognize and help find them.
- Through its Project 1324 program, Adobe is beta testing a web platform that is available to young people

who want to create and share their work on social issues they care about, using Adobe's products. Participants engage in creative challenges with entities like the Sundance Institute to engage the next generation of filmmakers through activities like short-film competitions, meet-ups at the Sundance Film Festival, and live events.

Programs and activities like these serve a vital function for Adobe as well as other similarly like-minded companies. Successful technology companies, such as Apple, Microsoft, and Intel, have also invested heavily in cause marketing to support their brand through various programs.

For example, consistent with its open-source roots and belief in freedom and choice, Linux software leader Red Hat's matching gift program allows employees to designate any eligible 501(c)(3) nonprofit, school, or house of worship for their donations, allowing maximum flexibility. Red Hat also ties in volunteer community activities for customers, partners, and employees at its annual Red Hat Summit conference; the We Are Red Hat Week annual celebration of the company's brand, culture, and people; and other events. Red Hat also donates its holiday party budget to a different designated national nonprofit chosen by employees each year.

Brand purpose can provide the fuel for employee engagement internally as well as the glue for marketing programs externally to help emotionally connect with customers. Purpose can also be a key factor in recruiting talent. The best organizations have a brand soul and purpose that they fiercely protect, nurture, and live every day. This touchstone can be more challenging with

successive leadership as founders move on from the company.

Marketing Leadership Has Changed

Finally, as would be expected from all the changes noted above, marketing leadership itself has had to change. The future chief marketing officer must also be the chief customer officer, chief experience officer, and chief growth officer. The modern CMO for a technology product organization should not cede those roles; rather, he or she should own, shape, and lead them.

- *Be the chief customer officer.* Be the customer's biggest champion. No other group has the purview that the CMO does.
- *Be the chief experience officer.* Create meaningful experiences that foster long-lasting customer relationships.
- *Be the chief growth officer.* Drive business by bringing together design and intelligence in a way that only marketers can.

The CMO has to stress accountability throughout the entire marketing organization. Marketers must be willing to dig deep into the numbers to provide appropriate rationale and support for marketing decisions. At the same time, they have to take calculated risks. The reality is, in today's challenging marketing environment, not taking risks is, in fact, taking a risk.

Marketing as a field has changed dramatically in recent years as a result of the shift toward technology and data-driven approaches across the marketing of not only

technology products but also products across all types of industries. Technology marketing continues to be a driver of change for the wider practice, however, and marketers should look to the efforts of companies such as Adobe, as well as Fitbit, Intel, Intuit, Red Hat, Spotify, and others that have become proven innovators. At the same time,

although it's important to keep up with new advancements, many basic marketing principles still apply, albeit often in an updated or modified form. Marketing success for organizations in the 21st century will require adopting the best new modern practices as well as rethinking and refining classic approaches.

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