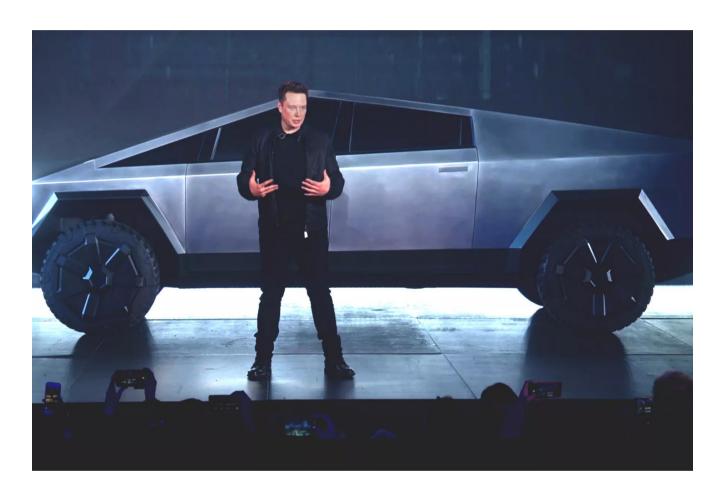
Your Startup Is a Movement

How Founders Should Think About Marketing

David Sacks

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During this campaign season, many of us are reflecting on how change is created and political movements take hold. There is an analogue between grassroots politics and startup evangelism. The best founders talk eloquently about their mission and the change they want to make in the world. They speak about something larger than dollars and cents. They articulate a vision of the future that attracts adherents. They create a movement.

If you want to understand how Tesla can become the most valuable car company in the world without needing to spend a dime on advertising, while its competitors futilely buy Superbowl ads, or why 170,000 people pilgrimage annually to Dreamforce for the opportunity to be sold Salesforce products, the answer is that the founders of these companies have created a movement. Obviously, it couldn't happen if they didn't also make great products, but marketing is the amplifier of all their other efforts. If sales is like hand-to-hand combat, great marketing is like having an air force.

There is a playbook for this. I call it Movement Marketing. It is also known as "earned marketing" because you can't just buy it, you have to earn it. Unlike paid campaigns, there is no formula for ROI. Earned marketing is about brand, messaging, press, influencers, content — all the things that define who you are. This is undeniably crucial, but since the metrics are hard to quantify, founders often have trouble with it. Like a math whiz who aces the Math section of the SAT and flunks the Verbal, many founders are comfortable stacking up small quantifiable wins on lead-gen campaigns while never attempting the stepchange that great marketing can bring. Here's how to do it:

1. Define a larger cause.

Political movements rally people to a cause larger than themselves. So too do startup movements. Tesla begins

all of its product unveilings by explaining the need to move the world to sustainable energy. Salesforce talks about moving business to the cloud. What is the larger cause that your startup stands for?

Peter Thiel has said that the best startups are like a cult that believes in something true. A sense of mission is important for both internal morale and external marketing. You need to be able to describe the change you seek to bring about, why it's important, and why people will benefit from it.

Whereas paid marketing buys people's attention, earned marketing obtains it for free. In order to do that, founders have to stand for a cause larger than just their self-interest.

2. Articulate the problem better than anyone else.

All campaigns are about the need for change. But the starting point in describing the need for change is to articulate the problem. Speak to the pain that users are experiencing. Grab onto news, anecdotes, or data that illustrate it. Describe how the world would be better if the problem were solved. As marketing guru Christopher Lochhead has pointed out, if you speak more articulately about the problem than anyone else, people will assume you have the solution.

Successful political movements do this. They connect on a deeper level than just policies and programs. They begin with a critique of the status quo and then make the case for change. When the audience connects with that critique on a visceral level, they are much more likely to embrace the political program.

Many founders are like bad politicians — they are "policy wonks." They just want to talk about their features. I've got news for you: Nobody cares about your features. At least not yet. First people need to understand the problem you're solving. Then they need to understand your solution. Only then will they be interested in your features.

3. Attack the status quo.

Your startup has an opponent, but it's not your competitors; it's some version of the status quo. You need to name this enemy. Marc Benioff convinced the world that software was the enemy. He articulated an "End of Software" mission, and created a NO SOFTWARE logo and a phone number to go with it: 1-800-NO-SOFTWARE. Did Benioff mean all software or just the kind that has to be installed? Presumably the latter — but those are the kinds of details that can be explained once you have someone's attention.



At my company Yammer, we identified our enemy as a rigid org chart that trapped information, stifled dissent, and created bureaucracy. Our description evolved, as we were constantly searching for better ways to articulate the problem. Just as we iterated on our product to achieve greater product-market fit, we would iterate on our messaging to achieve greater resonance. The more vividly you describe the need for change, the more obvious the need for your product will become.

Inevitably, as your startup becomes more successful, it will attract competitors. Don't fall into the trap of seeing copycats as the enemy. Treat them as validation that the world is moving to your point of view. When a legacy car company introduces a new electric car, Elon <u>welcomes</u> them to the market. The real enemy is fossil fuels.

4. Define a category.

The category is the solution to the problem. After articulating the need for change, it's not quite credible simply to posit yourself as the solution; rather, what you do is the solution, and the category is the shortest, crispest way of describing that. Elon has said that Tesla will be successful if it moves the auto industry to electric cars, even if Tesla itself does not survive. That is putting the category before yourself!

Of course, if you create the category, or define or redefine it, people will naturally look to you as the leader

of it. This is particularly important in enterprise software. The modern version of the old saying that "nobody ever got fired for buying IBM" is that "nobody ever got fired for buying the category leader." The perception of early category leadership often becomes self-fulfilling as customers, investors, and talent all want to go with the category leader. I describe this in greater detail in my post The One Who Defines the Category Wins the Category. The very best founders create a category and a movement.

5. Build the right team.

Once you've articulated the cause and the category, it's time to win the campaign by using the right talent and tactics. To start, your campaign needs the right team. As mentioned, "marketing" is like the SAT. It has two sections: Math and Verbal. The "math" part is performance-based marketing to generate leads. This is highly quantifiable and you want people who are good at running tests and stacking up incremental gains. The "verbal" part consists of press, influencers, branding, and content — the things that define you. Here the metrics are more elusive. In my experience, it's almost impossible to hire someone who is an expert in both domains. Rather than wasting time looking for a unicorn hire, it may make more sense to hire experts in each area and build out two teams.

6. Use "grassroots" customer testimony.

As Benioff explains in his book <u>Behind the Cloud</u>, the most powerful marketing weapon you have is customer testimony. People will naturally be suspicious of any claims that you make. Your message will be most credible coming from others, especially customers who can testify to their first-hand success with the product. Make sure you get customer logos, press releases, case studies, and reference accounts. There's nothing as convincing as grassroots support for a campaign.

7. Release news in lightning strikes, not dribs and drabs.

Good political campaigns don't just try to win news cycles; they try to penetrate the clutter with a strong announcement that can redefine the race. For startup movements, the equivalent is a lightning strike. Don't just blog about features. Only super-fans who are already using your product care about new features. To get the world's attention, you need to up-level and combine news about products, customers, milestones, and partnerships. Remind people about the larger problem that you're solving; keep providing context, and time lightning strikes for maximum impact.

8. Organize events to focus attention.

Rallies build momentum for a political campaign. The equivalent for startups are launch events. They focus internal and external attention and remind everyone, from

employees to prospects, about the importance of your movement and the change you are creating in the world. Founders sometimes believe that nobody will show up for their event, but they would be wrong. You will be surprised and amazed at who turns out and what you learn. Make these events the focal point for your lightning strikes. As I described in my post The Cadence, events provide tremendous motivation for everyone inside the company. Let the entire company attend by webcast so they feel renewed purpose and motivation. Then focus them on the next one.

9. Nurture your community.

A community is a place for your customers and supporters to learn from each other. Some founders are hesitant to let customers mix — and vent — freely, but the gains outweigh the risks. If customers are going to post something negative, it's better that they do it in a context you control than on Twitter. You need to hear that criticism anyway. If it's unfair, your fans will jump in to defend you, which is better than trying to do it yourself.

If your community can be built on top of your own product, that's ideal. At Yammer, one of our superpowers was the "Yammer Customer Network," a place for customer admins to collaborate with us and each other. Otherwise, startups should focus their attention on at least one channel — it could be LinkedIn, Instagram, Facebook, or a customized network — to galvanize the

energy of the community, encourage people to share their enthusiasm and wins, as well as seek help and advice.

10. Pick noble fights.

Great political movements engage in noble fights, even when they sometimes have to pick them. Likewise, startups should look for opportunities to draw sharp contrasts with a legacy incumbent. Elon's Cybertruck did a masterful job of challenging Ford's F-150 pickup truck (the #1-selling pickup truck), and Ford looked weak when it backed down from the challenge. If you're going to pick a fight, just remember to always (1) punch up, not down (it should be against a bigger competitor), (2) stay product-focused, and (3) keep the tone positive. Because your opponent is really the status quo, not another person or company, you should avoid personal attacks or mudslinging. Stay focused on touting the advantages of your solution.

11. Strive for a large tent.

Great political movements try to find ways to work with both parties when possible, and not unnecessarily alienate either side. Similarly, startups would be well advised to stay away from partisan political battles. The country is deeply divided over politics and you don't want to bring that polarization into your company, where everyone should work well together as a team. There's

also no point in alienating half your potential customer base. Note that the most popular politicians have only a 50-55% approval rate. That's actually pretty bad. There's no reason a tech company with a great product can't have a 80-90%+ approval rate.

12. Work with press and influencers in the right way.

An influencer strategy is important, and that includes working with press in the right way. It is often possible to draft off the headlines by using news hooks and narratives that are interesting to the press. For example, if you're a cyber-security company and there's a major breach in the news, you could use that to talk about how such breaches can be avoided in the future.

That said, don't depend on the press to tell your story for you. You have to tell it yourself. Talk about what's important to you. Remember that many of the things Silicon Valley reporters want to talk about (like financing plans and valuations) are inside baseball and not relevant to your movement. Talk about customer success and the change you want to make in the world. Make sure you are serving your movement, not the insiders' game.

13. Stay grounded.

All of this said, it's important not to go too far with Movement Marketing. Keep the conversation grounded and focused on business value. This is, after all, just business. We are not "elevating the world's

consciousness," as WeWork <u>claimed</u>. Using grandiose language like that will subject you to mockery and ridicule. Don't clown yourself. Make sure you back up your claims and avoid aggrandizing and arrogant language.

Finally, avoid crazy projections. Revenue projections are part of the insiders' game. It's fine to talk about your past accomplishments in detail, as they bolster your credibility, but future plans should be up-leveled. It's fine to say that you did \$10 million in revenue last year, but don't say that you're shooting for \$100 million next year — all you're doing is putting a target on your back. Making lofty future claims is unnecessary. Your actual accomplishments will be sufficient to impress.

Conclusion

In this election year, it is easy to see the power — often the destructive power — of political movements. One of the reasons I love startups is that they are a different kind of change agent.

Startup movements have two key advantages over political movements. First, politics inspires equal and opposite groups to spring up in opposition to anything one wants to accomplish, whereas successful startups inspire imitators (e.g. Tesla and electric cars). So it's actually easier to effect change with a startup movement than a political movement.

Second, politics tends to be a zero-sum game, whereas startups increase the solution set by introducing new products. Tesla has moved people to electric cars not with a government mandate but rather with a better car that people choose voluntarily. Startup movements operate creatively, not coercively.

Most startup founders are naturally passionate about making a change in the world. In fact, that is likely why they became founders in the first place. Their message is authentic and real. It often just waits below the surface, ready to break forth, and ignite a movement. When founder authority, authenticity, and leadership are combined with the techniques of Movement Marketing, the results can be transformative.

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