



# Book How to Think Like the World's Greatest Marketing Minds

## Business Lessons from Geoffrey Moore, Phil Knight, Philip Kotler, Herb Kelleher, Sergio Zyman, Martha Stewart and Other Masters of Marketing

Marcia Layton Turner  
McGraw-Hill, 2000

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### Recommendation

Marcia Layton Turner presents a compelling compilation of ideas from well-known marketing gurus. Some have been the heads or marketing directors of major companies; others are primarily known as consultants, speakers or academics. Even Madonna, successful marketer of herself as a product, is included in the mix, along with Martha Stewart. After a brief introduction of those profiled, Turner focuses on how they succeeded. She offers their main ideas for marketing effectiveness, followed by a summary listing the main marketing principles derived from each profile. The book is clearly organized, so that even those who are already familiar with the individuals profiled will find helpful, interesting highlights. Those who are not familiar with these luminaries will enjoy this excellent introduction. *BooksInShort* recommends this book not only to executives, managers and company owners, but also to worshippers of Madonna and Martha.

### Take-Aways

- Stay focused on your mission, like Southwest Airlines did in emphasizing low-cost, short flights.
- Nike succeeded by offering unusual designs tied to celebrity athletes.
- Madonna gained success by regularly changing her looks and packaging.
- Martha Stewart leveraged her reputation as a talented caterer to expand and developed a wide variety of related products under her name.
- As the head of Coca-Cola's marketing department, Sergio Zyman emphasized a product strategy based on profitability.
- Seth Godin developed "permission marketing" to sell more to customers by getting their permission via the Internet.
- Jay Conrad Levinson offers "guerilla marketing" techniques for small business owners with small budgets.
- High-tech consultant Regis McKenna suggests becoming more short-term oriented, since it's hard to plan for the future.
- Don Peppers and Martha Rogers advocate a one-to-one approach to become closer to your customers.

# Summary

## Guru Doers and Guru Thinkers

You can group the following marketing mavens as "guru doers," who have led companies to success, and "guru thinkers," who are known primarily for their marketing ideas as writers, consultants and academics. Here are some key marketing tips from the guru doers:

### Herb Kelleher: Chairman, President and CEO of Southwest Airlines

After serving as Southwest Airlines' legal counsel, Herb Kelleher became its chairman in 1978, when the company was 12 years old. From the beginning, he trusted his employees with the responsibility and incentive to do whatever was necessary to satisfy customer needs.

“If your employees are satisfied and happy and dedicated and inspired by what they’re doing, then they make your customers happy and they come back and that makes your shareholders happy.” [Herb Kelleher, Southwest Airlines]

The airline focused on direct, short-haul routes, instead of a hub-and-spoke strategy. It positioned itself as a low-cost carrier and took steps to keep costs down by eliminating frills, such as prepared meals and assigned seating. The airline stayed focused on its mission: to provide low-cost, short flights. It also sought to attract a new class of customers - those who could now fly because costs were lower.

“When accusations of unfair labor practices surfaced, Nike did exactly what it should have - become proactive. By responding immediately with accurate and thoughtful information, Nike lessened the potential backlash from the public accusations and fended off the possibility of even more negative publicity it would have gotten by not responding.”

The company has pursued a "think small and act small strategy" to become bigger. It introduced new business systems to promote efficiency, such as ticketless travel and its own reservation system. It emphasized standardization by owning and operating only one type of airplane - the Boeing 737. The airline incorporated humor into its approach to flying. For instance, employees wear costumes on holidays. Making its employees part owners through generous compensation, profit-sharing (Southwest was the first airline to have an employee profit-sharing plan), and stock ownership has helped keep morale high.

### Phil Knight: CEO and Co-founder of Nike

Phil Knight, who owned Blue Ribbon Sports, a small Oregon sporting-goods company, started Nike in the early 1970s. He wanted to create a running-shoe giant to outperform Adidas, then the market leader. He began with the Tiger shoe, manufactured by a Japanese running-shoe company. Then he developed a new waffled-soled shoe to introduce the Nike brand name and logo in 1971. By 1980, half of all running shoes sold were Nikes, and by 1982, Nike became the dominant athletic shoe company in the US.

“Strategy is everything ... more important than advertising, more important than packaging, perhaps even more than the product itself.”

Nike's unusual design combined elements from different types of footwear. Knight created sub-brands tied to celebrity athletes, provided products to athletes and signed endorsement deals. Nike invested heavily in research and development and created an advance-commitment program through which retailers purchased in advance in return for a 5% to 7% discount. This approach helped Nike forecast sales. Nike kept costs down through outsourcing to subcontractors, primarily in Southeast Asia. When the company got negative press about unfair labor practices, it responded quickly and provided the correct information. Nike also established an early presence on the Web. The company keenly watched and captured trends and sought customer feedback.

### Madonna: Singer, Actress and Head of Maverick Enterprises

Madonna's first big break, which came in 1984, was a deal with Sire Records that resulted in her first hit: Like a Virgin. This led to her first movie, Desperately Seeking Susan, in 1985. After that, Madonna pursued a career characterized by regularly changing her looks and packaging. She changed her hairstyle, hair color, wardrobe and musical themes. This kept the public interested in her, despite differing appraisals of her singing and acting talent. One of her earliest marketing strategies was to get her music accepted by music image makers, in this case, the black community. She dared to be controversial, so she got talked about, and she was willing to take risks by trying new styles and musical approaches. She repeatedly updated her packaging and she hired the best producers, giving them public credit for their work. She kept expanding her target market and found ways to boost her revenues by, "selling more products to existing customers, selling higher-value products to existing customers and selling products to new customers." She then became co-owner of Maverick Records with Time Warner.

## **Martha Stewart: Head of Martha Stewart Living Omnimedia**

Martha Stewart began her catering business, The Uncatered Affair, in the mid-1970s, and then took over a retail food business, The Market Basket. Through these companies she prepared meals for New York-area families to pick up on their way home from work. She soon became associated with good food and trendy entertainment, a reputation she leveraged to expand into other areas. Her then-husband, Andy Stewart, who was involved in publishing, was a key supporter of the first Martha Stewart cookbook. Soon she developed, packaged and sold related products. Today, more than 2,800 products are sold under her brand name.

“Decide where you want to go, and then build your objectives, strategies and plans to get you there.” [Sergio Zyman, former head of Coca-Cola's marketing department]

Publicity was key to her success, beginning with a People Magazine story about her in 1979. She began writing articles for many lifestyle magazines about food, gardening, entertaining and decorating. As her business grew, she extended her products into new markets by launching a television show, online flower company and magazine. Additionally, she formed partnerships with established distribution channels, such as her alliance with K-Mart in 1987 and her product partnerships with Sherwin-Williams paints and other companies. She embraced technology. She set up a video conferencing system and organized her Web site, marthastewart.com, into seven core content areas - cooking and entertaining, gardening, home crafts, housekeeping, holidays and weddings - all with products to purchase as well as free content such as recipes. She has hired in-house creative experts to develop new ideas and has repackaged and re-purposed information, such as compiling articles into books.

## **Sergio Zyman: Former Head of Coca-Cola's Marketing**

During his years as head of Coca-Cola's marketing department, Sergio Zyman was involved with the "Coke is It," New Coke and Diet Coke introductions. He emphasized the importance of strategizing for success and advocated the use of an overall game plan to guide the creation of objectives, strategies and action steps. He set profitability as the primary goal.

“Today, the core concept of taking a brand or a product and extending it into new markets is at the heart of the success of the Martha Stewart brand.”

His marketing tips include these: Don't just build awareness - be direct, since there is so much information clutter. Give consumers a clear reason to buy your product. Advertise benefits. Avoid ads that confuse customers, a mistake Coke made when it used humorous ads linking the drink with the color red. Do research to understand why the members of your target market buy, and take steps to neutralize the competition. Pursue additional sales among existing customers, since they already have some level of brand awareness. Be willing to change as the market does. Use the Web to exchange information with customers.

“Reusing and repackaging information in numerous forms is much more profitable than using it once and setting it aside, as so many media companies do.”

Here are some marketing tips from the marketing guru thinkers:

## **Seth Godin: Originator of "Permission Marketing"**

Seth Godin started his career as the publisher of The Beardstown Ladies Investment Guide and collaborated with Jay Conrad

Levinson on the Guerrilla Marketing Handbook. He shifted to marketing in 1995, and established Yoyodyne Entertainment, an Internet direct-marketing company devoted to combining fun and entertainment with direct marketing. He created sweepstakes and games to bring traffic to various corporate Web sites.

“Staying wedded to a particular concept or tactic can backfire if market conditions have changed - as they always do.”

Godin developed the concept of permission marketing as a way to overcome the clutter of mass marketing. Most consumers are now exposed to more than 2,000 commercials a day. In permission marketing, you draw people to your Web site and then begin a dialogue to find out all about them and their needs. You get them to pay more attention to your advertising messages by rewarding them for their time. As you learn more about your customers, you personalize each message and direct it to a particular individual by name, making it relevant by providing information about something that personally interests the customer.

**Philip Kotler: International Marketing Professor**

Philip Kotler has been teaching marketing for almost 40 years. He started teaching at Northwest University in 1969. His Marketing Management textbook, now in its eighth edition, is the standard in the field, and many universities use his Principles of Marketing text. He recommends performing an extensive marketing analysis of your markets and competition, evaluating your external and internal markets with situational analysis. This analysis has four main components: describe the current situation; analyze the company’s strengths, weaknesses, opportunities and threats (also called a SWOT analysis); assess the main issues and make basic assumptions about the future. With this analysis, you can create a marketing strategy with six components: the target market, core positioning, price positioning, total value proposition, distribution strategy and communication strategy.

**Jay Conrad Levinson: "Guerrilla Marketing"**

Jay Conrad Levinson helps small business owners market inexpensively. His strategy, called "Guerrilla Marketing," calls upon smaller businesses to leverage and exploit their own competitive advantages against larger companies. His innovative and inexpensive strategies and tactics help small businesses attract and keep customers. These tactics include these key principles: Plan before you act. Be consistent. Keep in touch. Use an assortment of tools, such as Internet ads, direct-mail pieces, special events and strong product packaging. Grab attention whenever you can and find ways to partner with other companies.

**Regis McKenna: Technology Guru**

Regis McKenna helped major technology companies, including Intel, Apple and Genetech, get started. He shows that technology has made it possible to do more in less time and thus has made customers want more immediate satisfaction. This makes it more difficult to plan for the future, so companies need to adapt by becoming more oriented to the short-term. To find out what customers want, build an information feedback loop to collect customer data continually, respond to input and adapt products and services based on the information. Use technology to monitor what customers want and to increase their choices. Enable customers to serve themselves, as Fed Ex has done with its self-service tracking system.

**Geoffrey Moore: Consultant to High-Tech Companies**

Geoffrey Moore, who started as a consultant to Regis McKenna’s firm, now owns the Chasm Group, which provides marketing consultation to high-technology enterprises. He recommends using a niche strategy, dominating your market with whole-product planning (which includes providing technical support, books, training seminars and other product extensions) and collaborating with innovators. He also suggests that a new company should first get as many new customers as it can, and then work on building customer satisfaction.

**Don Peppers and Martha Rogers: "One-on-One" Marketing**

Don Peppers and Martha Rogers began working together in 1990, after Rogers heard Peppers talk about the future of personalized marketing. They wrote a book on this concept, which led to a series of books on the one-to-one customer approach. This approach emphasizes solving problems for customers, involving satisfied customers in creating new products and customizing mass consumer products with modular components. One final bit of advice: get rid of "worthless" customers if they cost more money than you are

making from them.

## About the Author

**Marcia Layton Turner** is an award-winning publicist and Fortune 500 marketing consultant. Her previous books include several best-selling titles in *The Complete Idiot's Guide* series.

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