

# INSIDER

## INDUSTRIAL AUTOMATION & PROCESS CONTROL

### ***Marketing for Industry 4.0***

Industry 4.0 is making a huge change in the manufacturing and process industries. Enterprises are now recognized as being made up of not only the physical assets but also the data created by and associated with those assets. Clearly, what is going on, as that data is understood and exploited is nothing less than a revolution.

At the same time, marketing in industrial enterprises hasn't changed all that much. We continue to use advertising and marketing by sales engineers to attract customers, just as we have for 150 years. Just like changing the perception of the enterprise from physical assets to physical assets PLUS digital assets, there is a relentless need for changing the perception of marketing from persuasion to enlistment.

What does this mean?

Marketing traditionally has been about persuading reluctant customers to buy your product or service. Never taking "No!" for an answer. Seeing that your foot is always inside the door jamb. For over twenty years now, this model has not worked. Not at all.

**There is a relentless need for changing the perception of marketing from persuasion to enlistment.**

Now, especially in Europe and the Middle East, due to the Russian aggression against Ukraine, the shadow of recession is looming over manufacturing. It is likely not going to happen in the United States or Canada, because energy prices are coming down, but in Europe this is likely to be a bad winter.

What happens, every time a financial reversal happens, is that two budgets are cut, and in most cases, drastically cut. Those budgets are Research and Development, and Marketing. Unfortunately, study after study has shown this to be the wrong move. Look at advertising (for which read marketing, social media, etc.). According to the Wharton School, "A McGraw-Hill Research study looking at 600 companies from 1980 to 1985 found that those businesses which chose to maintain or raise their level of advertising expenditures during the 1981 and 1982 recession had significantly higher sales after the economy recovered. Specifically, companies that advertised

# INSIDER

## INDUSTRIAL AUTOMATION & PROCESS CONTROL

aggressively during the recession had sales 256% higher than those that did not continue to advertise.” This is not the first McGraw-Hill study to say this, all the way back to the 1930s.

And cutting R&D is as bad, if not worse because you wind up several development cycles behind your competitors who didn’t cut R&D. It used to be that R&D cycles were multiples of years, often three to five, and recessions generally don’t last that long. Pushed by the semiconductor industry, R&D cycle time is now reduced to under a year on average, and If a recession lasts longer than just a few months, cutting R&D as a response will perhaps permanently put you behind the development 8-ball.

Persuasion is seen as easy, enlistment as hard. This is just not true. Ever since the first product evangelists in the 1970s, enlistment has grown as a marketing technique and been more and more successful. Customers respond to you telling your story without ulterior motives. Storytelling is becoming extremely important for enlistment. How important? Microsoft is currently hiring more than a dozen “storytellers.”

So, what do you do if you need to cut somewhere to survive the coming recession (any recession, any time)? This is especially important for small to medium sized companies. SMCs generally don’t have a lot of marketing budget and cutting anywhere is quickly to the bone. Here are some things you can do that will cut your budget and push you toward enlistment marketing at the same time.

**Storytelling is becoming extremely important for enlistment. How important? Microsoft is currently hiring more than a dozen “storytellers.”**

### **Stop going to trade shows**

Customers don’t go to trade shows. Your competitors go to trade shows. Trade shows are expensive and can soak up a significant amount of your marketing budget. They are often treated as a junket by many in your enterprise, and you can redirect the money to other, more valuable things to do.

### **Stop placing display advertising**

Display advertising literally is not seen unless the customer is actively looking for your product or service. Dozens of surveys have indicated that this is true, including one I personally commissioned in 1984. Traditional advertising is designed to persuade you—to get you to buy

# INSIDER

## INDUSTRIAL AUTOMATION & PROCESS CONTROL

that product instead of something else. Persuasion is a hard sell. You can do the same thing less expensively and drive enlistment at the same time. Display advertising is very expensive to produce, and for the purchase of the space. A single display advertisement can cost up to USD\$15,000.00. Using that money to drive more enlistment will be much more effective over any time baseline, short or long. The only reason to place display advertising is when the publication won't take your story unless you do. When that happens, you should think very long and hard about placing your story somewhere else.

### Do Qualitative Marketing Research

Do qualitative marketing research, and Voice of the Customer research. You need to know what the customer means, and why they buy your product or service. You cannot get this information from Big Data. You need to have been doing qualitative research all along, but there is always time to start. Qualitative research is deep-dive research and will tell you a lot about the ways your customers think about issues and your products and services. Quantitative research (Survey Monkey, et al) will tell you HOW your customers behave-- but will not tell you WHY they behave the way they do. Quantitative research is about numbers. Qualitative research is about the story.

### Engage your customers in your story

You have a story to tell. It may be hard to understand this, but your story is only partly about your products and services. Your story includes everything about your enterprise—the kind of company you are, how you deal with your employees and your suppliers; in short, your brand. Your brand is a *gestalt* made up of all of the interactions of everyone with you, your products, your services, and your company. It includes the interactions of customers, competitors, non-customers, and the general population with your company, your employees, and your products.

**Your brand is a *gestalt* made up of all of the interactions of everyone with you, your products, your services, and your company. It includes the interactions of customers, competitors, non-customers, and the general population with your company, your employees, and your products.**

Modern marketing is the process of enlistment of your clients and customers, and all the other people who interact with your brand to evangelize for your brand, whether they work for you or not. You can't do that with trade shows, or display advertising. You have to

# INSIDER

## INDUSTRIAL AUTOMATION & PROCESS CONTROL

do it by directly communicating to all your stakeholders. The way to do that, obviously, is with digital marketing methods like social media, blogs, articles, white papers, press releases and more. What you need for all your “storytellers” to do is to become subject matter experts that your customers and other stakeholders respect and refer to when trying to understand the issues they face every day.

Modern marketing is about *information transfer*, more than anything else. So, when you blog, or tweet, or post on social media, you need to be transferring information that your customers and stakeholders want. Modern marketing is entirely about storytelling.

### How to tell a story

Whether your story is a blog post or Facebook or LinkedIn post, or a white paper, or an article, or even just a tweet, the skeleton of the story—the plot, if you will—is the same.

First, is the statement of the problem. This is not *your* problem, it is the stakeholders’ problem, told from the stakeholders’ point of view. If you can, you should get a stakeholder to state the problem herself. It is more immediate when it comes out of the mouth of an end-user or asset-owner.

**Modern marketing is about *information transfer*, more than anything else. So, when you blog, or tweet, or post on social media, you need to be transferring information that your customers and stakeholders want. Modern marketing is entirely about storytelling.**

Next is the problem re-stated as a general issue throughout manufacturing. That allows the stakeholder base to see that the problem isn’t isolated only to them but applies to many stakeholders in similar ways.

Next is a statement of how the problem might be solved in general.

Finally, the plot of your story winds up with your own solution to the problem, preferably as used by the stakeholder who stated the problem at the beginning, and a call to action.

This works for blog posts, for social media posts, for articles and white papers. It works for other social media, like Zoom meetings, YouTube videos, webinars and more.

# INSIDER

## INDUSTRIAL AUTOMATION & PROCESS CONTROL

It is extremely effective because it enlists the stakeholders in solving the problem and permits the stakeholders to see your product or service as a clear answer to the problem without you pushing it onto them. You are enlisting the customer base and your stakeholders to see that you are a significant subject matter expert who should be listened to. If they listen to you, they will follow you. You have enlisted them in your marketing “army.”

### **You HAVE to keep telling your stories**

The saddest thing when you go to a company website is to see that the most recent blog post is two years old, and that they just don’t post on social media anymore. How many companies do you know have abandoned storytelling and gone back to traditional marketing? Sadly, there are all too many.

Don’t let this be you.



**WALT BOYES** is a principal with Spitzer and Boyes LLC. He is a Life Fellow of the International Society of Automation, a Fellow of the Institute of Measurement and Control, a Chartered Measurement and Control Technologist, and a member of the Association of Professional Futurists. From 2003 to 2013 Walt was Editor in Chief of *Control* magazine, and from 2014 he has been Editor and Publisher of the INSIDER. From 2016 to 2022 he acted as Editor of the alternate history magazine, *The Grantville Gazette* and as Editor in Chief of *Eric Flint’s Ring of Fire Press*. Walt is available for consulting and for speaking engagements both in person and online. Contact him at [waltboyes@spitzerandboyes.com](mailto:waltboyes@spitzerandboyes.com) or [waltboyes@gmail.com](mailto:waltboyes@gmail.com) .