



Episode 3: Inbound Marketing vs Outbound Marketing

E3: INBOUND MARKETING VS OUTBOUND MARKETING

00:02 Ken Franzen: Hey everyone, this is Ken from Neon Goldfish. In this episode of the Neon Noise podcast, Justin and I discuss the differences between inbound marketing and outbound marketing or more commonly known as traditional marketing. Inbound marketing is a newer term that's gained tremendous popularity in the marketing world over the past several years and we don't see a slow-down in sight. Understanding inbound marketing is easiest done when compared to outbound or traditional marketing.

00:27 Ken Franzen: Outbound marketing is TV, radio, billboards, print ads, the pesky cold callers. These mediums, they try to interrupt our day by shouting as loud as they possibly can to cut through the noise and grab our attention as consumers. Inbound marketing is the opposite. It's attraction marketing that focuses on the creation and distribution of exceptional content to help the consumer through the buying process. We hope our conversation gives you a solid understanding of what inbound marketing is so you can begin exploring if it might be a good fit for your business. Enjoy.

[music]

01:12 Justin Johnson: Hey everybody, this is Justin and Ken with Neon Noise. Ken, how are you doing today? Are you ready to talk marketing?

01:21 Ken Franzen: [chuckle] Absolutely, Justin. Always ready to talk marketing.

01:24 Justin Johnson: Awesome. So let's jump into this. There's somewhat of a newer term in the marketing world that's been creating a little bit of buzz. If you haven't heard the term "inbound," then chances are, you're probably living in a box. [chuckle] I think that we should chat a little bit about it today to help those that may not be familiar understand it a little bit better, as well as discuss how inbound is different from traditional marketing. For the most part, anybody with a business has probably experienced some form of traditional marketing, right?

02:02 Ken Franzen: Oh yeah. I mean we're looking or talking the things that are common to any business owner, their phones ringing off the hook everyday from reps from different traditional media sources like TV and radio, billboards, things along those lines. So let's chat a little bit about those and explore just so we're covered. You have everyone's favorite, or maybe some people's least favorite, that's TV and radio commercials.

02:30 Justin Johnson: Yep. TV and radio, they are effective, obviously. I think that a lot of business owners, they may just not be able to afford that type of budget in order to run their ads.

02:45 Ken Franzen: Oh, no. I think one of the biggest pitfalls in TV and radio is everyone's tried it and I don't wanna say it's bad. When done effectively, it's definitely a way to get in front of lots of eyeballs, but when it's done, I think, like any other marketing ineffectively it doesn't work, and small budgets or short runs doesn't build up enough frequency to really be able to see a return.

03:12 Justin Johnson: Right. Yeah and then we've got billboards. Billboards are effective to get a ton of eyeballs on your brand, but it's one of those things where you're driving down the road at 60, 70 miles an hour and it might be difficult to write down that phone number and actually be able to remember that information that you saw.



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03:38 Ken Franzen: Sure, yeah. It's the impressions or being positioned in front of us while we're doing our morning or afternoon commute or throughout our day. But again, another form of traditional marketing which is interruption marketing, messages that are coming across us throughout our day. What about cold-calling, phone rings?

04:05 Justin Johnson: [chuckle] I don't know.

04:07 Ken Franzen: "Hey, Mr. Johnson."

04:09 Justin Johnson: "Hey, Mr. Johnson. This is Officer Steve calling with the Highway Patrol. Do you wanna make a donation to me today?" I can't tell you. You've had to have that happen to you within the last month at least twice and it's just one of those things where I feel like I already gave my donation to him a couple of months ago when he pulled me over for going three miles over the speed limit.

04:38 Ken Franzen: Tough laws there in your neck of the woods, eh?

04:42 Justin Johnson: [chuckle] I know the guy in the white minivan is probably breaking the law and deserves a ticket. However, it's...

04:50 Ken Franzen: They are targeting the white minivans these days. [laughter] They've forgone the red Corvettes and now they're chasing down those minivans you've created...

05:00 Justin Johnson: Anybody with three kids is going to require a minivan at some point in their life. You're gonna get one, I promise.

05:09 Ken Franzen: I have three kids and I do not have a minivan, so I'm the exception to the rule.

05:14 Justin Johnson: [laughter] Alright, so I'm the guy with the minivan. But what it boils down to is you get these calls and they break up your day and you had something planned that you were doing and it's just not something that you're obviously interested in talking about in the middle of the day.

05:32 Ken Franzen: And I think cold calling is less, something that's less frequent these days than it was 10 years ago. I think it's less practiced, is what I'm trying to say. But even though it does still exist and I think there's still some effectiveness to very targeted positioning, positioned cold calling, but again it's still a form of traditional, or what else we're also gonna reference, outbound marketing that we're exploring here. Trade shows are another form of traditional marketing. You set up a booth, people come through. You throw a foam football at them. [laughter] And they take it home and give it to their kids and the dog eats it.

06:16 Justin Johnson: Put them in the money booth.

06:18 Ken Franzen: So trade shows again. And we're not saying that any of these mediums or methods are wrong, they're just different.

06:26 Justin Johnson: They're just different.

06:27 Ken Franzen: We're gonna explain to you here a little bit about inbound marketing.

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06:35 Justin Johnson: Inbound marketing.

06:36 Ken Franzen: So what's different about inbound marketing, Justin?

06:39 Justin Johnson: So what's different about inbound marketing is rather than traditional marketing, where we're trying to always push the message out, you are building consumer trust through creation of quality content, gaining permission to continue a conversation in such a way as blogs, educational resources, newsletters, social media marketing, content marketing. Each one of these items serve as a way to attract customers through different stages of the purchase cycle.

07:15 Ken Franzen: We're very involved in the marketing world, so we're completely surrounded by these buzzwords and so don't feel like you're left out, you've been living in a box completely if you haven't heard inbound marketing. You may have not. And so, to completely understand why it's different now, why has traditional marketing lost steam and why is inbound marketing gaining and becoming such a popular option?

07:41 Justin Johnson: Picked up so much. Ken, I think it's really, really simple. It's just the ability to do your own research is so much easier now than it was in the past. Think about the Internet and mobile devices, iPads, just everybody is always connected to the Internet. So now, when I wanna do some research on something, I just pick up my phone, maybe I'm sitting on the couch and I want to do a little bit of research on something, I've got my iPad right there. It's just too easy to find answers for what it is that you're interested in getting a little bit information on now.

08:23 Ken Franzen: Sure. So we've evolved.

08:25 Justin Johnson: Yup. Absolutely.

08:27 Ken Franzen: And you think about some of the other evolutions that have taken place that have also hurt... You think of DVRs and how that's hurt the television industry. You think about what you just explained there, your iPad, the Readers and how that's hurt the newspaper industry. You have Sirius XM Radio, Pandora, Amazon Music. Those are hurting the radio industry. So the evolution of new products and new ways of... Again, the Internet's being introduced and technology is also taking part in this.

09:00 Justin Johnson: It's just a lot easier these days. You know, I'm gonna give you an example of something that recently happened with a purchase that I made. My wife and I were interested in getting a new freezer for the garage. And I haven't had a freezer for the garage, so I didn't have any idea what I was looking for, I just knew that I wanted to have some additional space. So, I jumped online, and I plugged in, I don't remember what it was, affordable home freezer, something along those lines, okay? Plugged that information into the search bar. After that, I received all these links to freezers. Pretty crazy, right? That's how the search engines work. [laughter] that's how they're supposed to work.

09:48 Ken Franzen: It's magic.

09:49 Justin Johnson: It's just nuts when it actually works. So, the one that I selected, it took me over to the website for Home Depot. They had a little 10, I think it was 10 to 15 questions, something along those lines, 10 to 15 question survey on selecting the right freezer. So, I figured, "What the heck? I'm gonna go through

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this. I have no idea what I want yet, but I'm going to answer these questions and see what shows up." So I answer all the questions and it provides me with the best possible options for everything that I plugged in, which was pretty cool, because I had no idea what I wanted. I didn't purchase the freezer that particular day. [chuckle]

10:43 Ken Franzen: Okay. [chuckle] But it didn't do its job, right?

10:45 Justin Johnson: It didn't completely do its job. However, I did know what I wanted to purchase in the future when I was actually ready to do it. So it gets better, I jump on Facebook and while I'm scanning through all my friends' kids' photos. This is pretty much what you do on Facebook, right?

11:04 Ken Franzen: Yup.

11:06 Justin Johnson: I see an ad for the exact same freezer that I was looking at on Home Depot.

11:11 Ken Franzen: Ah, some retargeting.

11:13 Justin Johnson: So they did some retargeting and they did a phenomenal job. The ad for the freezer continued to show up on my display and my newsfeed for a couple of weeks. Once I was ready to buy, I figured that, "Hey, Home Depot, they've been in front of me for a couple of two, three weeks, showing me these ads on something that I went to their website and gained some insight and some research on." And I pulled the trigger and I purchased my new freezer.

11:43 Ken Franzen: Okay. So you found them through search, they educated you on what you needed and they continued to stay in front of you.

11:53 Justin Johnson: Exactly. It's just entirely different purchase process than it used to be in the past. The best part about it, I bought my freezer online, I didn't even have to step foot in the store to do so. The entire process worked out perfectly. So I'm sure that you are all tired of hearing about my freezer. Long story short, all my food is nice and cold and I am a happy customer of Home Depot.

12:30 Ken Franzen: With inbound marketing, you need to be mindful of the buyer's journey which is kind of what Justin just explained with his freezer story that we just heard. When you're planning out the content you want to have available to the buyers, you want to position it to where it's available to those at different stages because we don't all run across websites when we're beginning our research or we're at the very end, it's hard to tell where we are, right? So let's talk about the three stages of the buyer's journey real quick. You have awareness, the second stage is consideration and the third stage, decision. So let's talk about awareness.

13:13 Justin Johnson: So awareness is when the consumer is experiencing a problem. That's typically the stage when they are going to be doing research, trying to identify as much information as possible on whatever it is that they're searching for.

13:34 Ken Franzen: Alright, so in the case of your freezer, you knew you wanted more space to store food, that you needed a freezer, but you really didn't know what you needed.

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13:43 Justin Johnson: No, I didn't know what I needed. I know that we're talking about my freezer a lot. However, all that I knew was that I wanted more space, but I didn't have a clue as to what it was that I actually wanted to purchase.

14:03 Ken Franzen: Sure, sure. And so after you conduct that initial research, then you move onto the consideration stage which is when you as the consumer, you define the problem?

14:14 Justin Johnson: Yep.

14:15 Ken Franzen: And so you've identified that, now you're gonna continue your research and really try to solve the problem at hand, really try to whittle down and find some vendors that might be able to fulfill handling the problem or opportunity that you have.

14:31 Justin Johnson: Exactly. And I think that the survey that I conducted on the Home Depot website helped me identify exactly what it was that I needed and presented me with some options for moving forward, so that worked out extremely well.

14:50 Ken Franzen: Sure. So helped whittle down those options.

14:52 Justin Johnson: Helped whittle down the options until next, the decision stage when the consumer has decided on exactly what it is that they wanna purchase and narrow down all the possibilities to make that final decision and actually make the purchase.

15:09 Ken Franzen: Sure. So you were being followed around on Facebook by Home Depot with their retargeting campaign.

15:17 Justin Johnson: Yeah, you're always looking over your shoulder every time that I pick up Facebook and I've got this freezer looking at me and saying, "Buy, buy, buy me, buy me, buy me."

15:29 Ken Franzen: Sure.

15:30 Justin Johnson: Very good marketing, Home Depot.

15:31 Ken Franzen: Absolutely.

15:32 Justin Johnson: Are they paying us for this, by the way? [laughter] If you wanna buy a freezer, Home Depot, hop on there. They're gonna walk you through the process and you're gonna buy it. [chuckle]

15:47 Ken Franzen: That's right, that's right. And Home Depot, if you wanna send us some cheese for this, feel free.

15:51 Justin Johnson: Exactly.

15:53 Ken Franzen: Alright, Justin. So we've talked about traditional or outbound marketing and maybe why there're some challenges there and it's not as effective or we've explored inbound marketing and what that is and we've touched on the buyer's journey, the three stages of the buyer's journey, and why it's important to

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have content in different ways and shapes or forms to attract. So how do I apply inbound marketing to my business, let's say, I'm one of the listeners and they're saying, "Okay, this sounds all great and fancy or fine and dandy, how do I apply it?"

16:29 Justin Johnson: Right. Yeah. Who doesn't wanna attract more visitors, convert more visitors into leads, close those leads into customers and turn those customers into people that wanna promote their business, right?

16:39 Ken Franzen: Sure.

16:39 Justin Johnson: Any business owner should absolutely wanna do that. So I think that what I would do is go through initially... Look back at the attract stage, okay? This is when we want to start getting more people, more eyeballs to what it is that we're trying to promote, right?

17:00 Ken Franzen: To website traffic, right?

17:02 Justin Johnson: Just website traffic. We can do that through blogging, through ebooks, white papers, the survey, the quiz, social media, having proper key words in place for your SEO. Just going back to the freezer thing, I know it's crazy, but I typed in a specific term and it provided me with a list of results, so it did exactly what its job was supposed to do.

17:29 Ken Franzen: Sure. It brought you as a visitor to the website.

17:32 Justin Johnson: Yup.

17:33 Ken Franzen: The next step of the process is convert and this is where we...

17:37 Justin Johnson: Big problem for people.

17:39 Ken Franzen: Yeah, big problem for people. This is where we convert those visitors, that website traffic into leads. And the big problem Justin's talking about is something we covered in our website traffic evaporation podcast, where majority of website traffic, they're not ready to buy and most websites don't have clear direction nor a means of capturing the information from those that aren't quite... They don't have that survey, right?

18:08 Justin Johnson: Right. They don't have that survey. They don't have form setup in order to gather the information. They don't have clear calls to action on any of the research materials or anything that they have. Basically, a lot of these websites, they have, it's either the purchase now or a way to contact them, and that's it. They don't have landing pages set up, there's just a lot of items that are not being checked off the list.

18:39 Ken Franzen: Right. Exactly. And so we convert that customer into a lead. Now that we have them a lead, it comes time to close.

18:49 Justin Johnson: Close them. We actually have to make a sale?

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18:51 Ken Franzen: We have to make a sale. [chuckle] So with that, using the magic of email is a powerful thing. In your case was retargeting. The email I speak of is lead nurturing, marketing automation workflows, email newsletters. You've captured information from them in some way, shape, or form, be it through a survey or a download of an e-book and use whatever data you can collect on them to position them in the buyer's journey and figure out what's the best content to serve up to them, right?

19:28 Justin Johnson: Right, absolutely.

19:29 Ken Franzen: Alright, now that works like magic and a process like that leads to much higher close rate. I think it's like 24% or something like that as far as the stat goes.

19:42 Justin Johnson: Yeah, that's a pretty good number. I would like to stay at that.

19:44 Ken Franzen: Absolutely. And so now the customers, they always say it's much easier to keep a customer happy than it is to find a new customer. Now, obviously, we need to have business development. But let's keep those current customers happy, and so we do so by delighting them, right?

20:02 Justin Johnson: We are going to delight our customers. Once they become a customer, we want to nurture them along the way, we want them to promote our products, and it's just a heck of a lot easier to sell something to somebody that has already purchased something from you than to try to find new buyers.

20:20 Ken Franzen: Sure. Yeah, referral programs as well. Different ways that you can make them truly yours for your business, right?

20:26 Justin Johnson: Sure, absolutely. Put that out in front of them and show them similar products to what they've purchased in the past. There's so many ways to get information out in front of those folks and delight them.

20:40 Ken Franzen: And delight them, absolutely.

20:41 Justin Johnson: Alright, Ken, so how do I tell if inbound marketing is right for my company?

20:48 Ken Franzen: That's a good question. Inbound marketing does fit better for certain types of businesses than others. Now there's a lot of things we talked about here that I think all businesses could benefit from. I think that any business can benefit from creating great content, downloadable guides, e-books, educating their consumers works really well. Where I think inbound marketing works best is for businesses with higher ticket items. Let's say it's a landscaping company that's doing \$30,000 landscaping projects, that would work. Now if it was a lawn mowing company that only did lawn care service, it might not be. And that could be the same company, right?

21:38 Justin Johnson: Right. I completely agree.

21:38 Ken Franzen: So I think that the inbound would work... They would be able to see and realize the inbound process better with the landscaping side however.

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21:46 Justin Johnson: Yeah, what about purchase cycles? Is it better for a longer purchase cycle or somebody that might have a smaller?

21:55 Ken Franzen: Well, since we're dealing with higher ticket items, we're probably gonna be dealing with longer purchase cycles as well, which works great with this because you are trying to identify where they're at in the buyer's journey. And so if you're thinking about buying a new patio for your backyard, you're gonna think about that a little bit longer than a cheeseburger that you're gonna order for lunch, right?

22:17 Justin Johnson: Correct.

22:19 Ken Franzen: And so but I think that the best place to start would be reaching out and contacting someone that understands inbound. There's lots of inbound agencies out there and you can call on them. And most of them, they'll work with you on doing an inbound analysis. Some will even do it for free where they'll look at what you have going on with your marketing and just to let you know how good of a fit your business is per your goals and challenges for inbound marketing.

22:49 Justin Johnson: We've got an inbound checklist that is available for download too, that kinda walks you through the process, right?

22:56 Ken Franzen: Yeah, it'll cover some of the main key points that you might wanna look at. And it's probably a great overview piece that you can touch on to see how fitting inbound is for your business. If you're looking for that, that can be found in the show notes for this podcast at neongoldfish.com/podcast.

23:21 Justin Johnson: Awesome. Alright, thank you for the overview on getting inbound for my business, Mr. Franzen.

23:29 Ken Franzen: No problem.

23:30 Justin Johnson: I think that that's gonna kinda sum everything up for today. We are outta here. Hopefully, you all have a good understanding of the differences between inbound marketing versus outbound marketing. Until next time, this is Justin and Ken with Neon Noise. Make it a great day and go sell something.

[music]