

# KEN SCHMIDT



## “The Change Agent: Q&A with Ken Schmidt”

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### **Marketing guru Ken Schmidt talks motorcycles, the art of branding, and why your customers should be tweeting your praise**

Ken Schmidt can't get the jingle out of his head. “We're the guys in the little red trucks.” You can thank auto glass specialists, the Madison, Wis.-based automotive glass replacement and repair company that operates a chain of sales and services centers in nine states in the upper Midwest. It's not a bad thing – not by a long shot. Schmidt admits that every time he sees something from the company, he can't help but hear that catchy little ditty in his head. The marketing campaign has what he calls that “it” vibe: – the hypnotic, simplistic messaging that can sear a brand into your subconscious.

And that's what it's all about. You can quote Ken Schmidt on that. the marketing guru who was a key piece in the Harley-Davidson motor Co.'s ascent from bankruptcy in the mid-1980s knows what it's like to get people talking – and buying.

Talk about staying ahead of the curve. To help build brand loyalty and give customers the experience of joining a group of like-minded people, Harley-Davidson created the Harley Owners Group (HOG), a sponsored social club that every Harley-Davidson dealership could sponsor at the local level. HOG not only promotes a consumer product, but a lifestyle. While providing social activities and organized riding events that strengthened bonds between dealerships and local riders, HOG also created a new revenue stream for the company by offering tie-in merchandise to club members. It's fair to say that on many levels, the branding technique was social media before *social media* was social media.

Schmidt's formal relationship with Harley-Davidson began in 1985, when he was a specialist in corporate positioning and media relations. After the company reached out to him to help

# KEN SCHMIDT



restore the then-struggling brand, it took him a few short years to make the Harley-Davidson brand cool and respected by motorcyclists, media, investors, and, most important, potential new customers. In 1990, he became director of corporate and financial communications, serving as its primary media and financial spokesperson. Schmidt was everywhere. Speaking engagements around the world soon would follow. Ken Schmidt's passionate and magical touch was cemented into marketing folklore.

Today, a much sought-after speaker, the semi-retired Schmidt is widely known and respected as one of the business world's most outspoken and provocative thought leaders. He can be found partnering and sharing his insights with some of the world's most successful brands. And, if you want to talk marketing, pull up a chair, because Schmidt has plenty to say. CANVAS recently caught up with him in between speaking engagements to get his candid perspective on all things branding, and why, if you're going to write the check for marketing, you may as well do it right.

## **Taking 10 with Ken Schmidt**

### **Best advice you ever received**

"First, make a hero out of your client contact. Second, make a hero out of your boss. Then make a hero out of yourself." I received that advice 30 years ago on my first day of agency work from a guy who was retiring.

### **Best thing a client ever said to you**

"We'd like you to come work for us." – Harley-Davidson

### **Three traits every marketer should have**

You should be obsessively inquisitive about everything business and pop culture related. You should have a contagious passion. And you have to be a superb storyteller.

# KEN SCHMIDT



## **What should every marketer be reading?**

You must read newspapers and magazines daily. You need to know what's happening so you can use that information. You can't be a marketer without that knowledge.

## **What would you change in today's marketing world if you could?**

I'd make it way more expensive to communicate, so marketers would think a lot more before bombarding the market with misguided and inappropriate shouts for attention. The cheaper things get, the less creative marketers get. It's no mystery why people are down on marketing; there's way too much of it.

## **Best app out there**

Google Maps. Solves an obvious problem with simplicity and superb execution.

## **What should you "never" leave home without?**

The knowledge of how you're going to get back. And something to read

## **What's your crowning achievement to date?**

Excluding stuff about my kids, I'd say hearing President Reagan read the words I'd written. I can still hear him.

## **What's left for you to do?**

Figure out if all this social media stuff is really going to change the marketing world. Other than with huge consumer businesses, I'm not seeing what others claim to see.

## **Give us your bucket list**

Ride a motorcycle up the Norwegian coast until the roads become impassable. Switch to a snowmobile and ride it to the North Pole. Get very dirty and very scared in the wilds of Africa. Fish the most remote, bear-choked waters of Alaska. Go whitetail deer hunting in the deep snow in Saskatchewan.

## **On marketing today...**

Marketing is in the same state of confusion it has always been in. There's always something

# KEN SCHMIDT



new and exciting that gets people fired up. People always jump on the bandwagon of what's new and ride it until the wheels fall off.

## **On social media...**

Social media is bombarding people with so much information that, eventually, it will be too much. People are going to start to turn away. In some ways, social media actually makes it harder on marketers. It is still very much in its infancy, which means marketers are still trying to figure it all out. That's a lot of pressure. There are going to be winners, and there are going to be a lot of losers. We'll have to see what shakes out. And when it does, we'll be off to the next big thing.

## **On building your brand through social media...**

Companies like Nike and McDonald's have built in consumer bases – large ones. But when I think of building your brand through social media, I think about the small businesses first. Where are all of the social media success stories for them? Done right, social media is tied to a very specific brand strategy. Right now, it's a shotgun approach. People are doing it because everybody else is doing it. But that's the worst reason to do something. Just because it's cheaper, faster and easier to get your message out there doesn't mean social media is building your brand. Branding principles are built for the long haul. They are not built on a foundation of quick kills. You have to be careful not to send too much information to your consumers. It has to be strategic.

## **On marketing during the last 20 years...**

The marketing world has gone straight up, and then it went straight down. Today it's going sideways. The '90s were drastically different. Marketing was fun. Times were good. The internet provided a world of new possibilities. Companies were investing money. Things were moving at supersonic speeds. Business models were born overnight. And, then, the easy money party ended. Only the hangover remains. The internet was the big, easy well. It hasn't dried up; we're just looking to other places to produce the same kind of miracles that the

# KEN SCHMIDT



internet did. Companies that made it big early on in the internet era evened out after everybody discovered what the internet could do. There are only a handful of huge internet success stories. With everyone else, it's more of a business-as-usual thing.

## **On today's business climate...**

We are in an environment where businesses are super cautious about everything they do. They're not spending money on marketing. They're not investing in their people or processes. Everybody is being asked to do more with less. We just don't have that "go to" model that the internet gave us [20 years ago]. And because we don't, businesses are grasping at straws – they're grasping at things like social media. Businesses have to work harder and smarter. And, unfortunately, a lot of them don't know what to do right now. So they chase things like social media, because they think it's a cheaper way to do business. But they soon find that it's not for everyone.

## **On building a social network...**

From a personal perspective, social media is a miracle. It gives individuals visibility and a chance to make their voices heard. But building that case from a business perspective becomes much harder. When you're a Nike or Apple, you have a built-in base of disciples who want to hear what you have to say. But for smaller businesses, it's harder to get customers to buy into that. You have to find a conversation that's interesting enough to make them want to be a part of what you do.

## **On the principles of branding...**

I don't think the principles have changed. The foundation of building a brand is still there; it's still an inherent need for a business. The channels and the tools are changing. A business, regardless of what it is doing in the market, must be able to tell its customers who it is. It still needs a consistent look and identity, something that people recognize. What does your company do? Why is it different? Why should you align with us instead of someone else? If you're not putting your stock in using all of the branding channels available to you, and doing it properly and consistently, well, you better have a "cure for cancer" approach that makes

# KEN SCHMIDT



people take notice.

## **On how to reinvent yourself...**

You have to answer the super-obvious questions first. Who are you? What do you do? What makes you different? That's in basket No. 1. In printing circles, or small businesses in general, I bet that if you would ask five or six employees what your company stands for you'd get five or six different explanations. There's often no strategy, because there's often nobody directing this. If your employees can't do this, what would happen if you put 40 or 50 of your customers in a room and asked them? Create a position and defend it. Create reasons for why people would want to do business with you. And then build your brand around that. It's not about the equipment you have. That's what you do. It's about the language you communicate and connect to your customers with. Remember, by and large, your customers are marketing people. So when you speak to them, speak their language. The faster you can do this, the easier success will come.

## **On how to build your branding approach...**

Nothing moves until you have an internal agreement on what and who you are. If you need help doing this, bring in help. I always say that if you need a heart transplant, bring in a heart specialist. If you need a consultant, bring in a consultant. A trial-and-error approach is a lot of work and can be damaging. You will end up finding a lot more about yourself when you ask for help. The best approach is to assume nothing. Start from scratch. Find out what type of behavior your salespeople exhibit to sell – what type of behavior will resonate with your customers? It is never about the product you sell as much as it is about the behavior of the people selling it. Relationships are built on conversations with people, not on the delivered word. People have to buy from somebody – why not you?

## **On the importance of leadership...**

Leadership must be involved in the process. When your employees see that you are making an effort, they will be more apt to follow what you do. No branding process works without the full buy-in, support and hands-on involvement of leadership.

# KEN SCHMIDT



## **On acting now, not later...**

You have to do something. Whether you're a large business or small one, it seems that people are waiting around for something to happen. They figure somebody will do something and are happy to wait for somebody to somehow solve their problems. You have to jump in with both feet and start running. Don't sit around and wait. The market is never going to evolve to the point at which where people just pick up the phone and call you.

## **On setting yourself apart...**

Stop behaving like each other. Stop using the same language and the same promotions as everybody else in your industry. You have to be different. Everybody is attracted to things that are different.

## **On the future of marketing...**

While the tools and channels may continue to change, marketing always is going to be a necessity. If there's a product or service that needs to be sold, people are going to need marketing. With the changing dynamics of the world economy, businesses have to evolve faster than they ever have. New, nimble competitors continue to spring up out of nowhere, which creates all kinds of challenges. The good news for marketers is that this drives the need for good marketing. They may not always want to admit it, but they need us.