



Title: "Venture marketing" trumps fear at Charles Schwab

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The greatest challenge facing marketing strategy and execution, according to Julian Aldridge – vp/brand evangelism and activation at Charles Schwab – is simple: "Fear."

More specifically, he told a "Challenger Brands: Embracing Your Inner Underdog" session at the ad:tech San Francisco 2015 conference, "It's fear of the unknown; fear of the unproven; fear of results, or lack of results; fear of failure.



"And it can be absolutely crippling."

A marketer who describes himself as "an avid traveler, athlete, softball player, father, husband and [CrossFitter](#)," Aldridge joined Schwab in 2012 to head up the enterprise's Challenger Brand Identity project, and thus "help the company rediscover and activate its rich challenger heritage for a new generation of investors."

It's a process he likened to running a marathon: "It's a long way, and it can seem really, really an insurmountable challenge when you think about it." In fact, he proposed, "What you have to do is think about it differently. This is what challengers do. They change the equation."

A marathoner, for instance, might not imagine themselves running a 26.2-mile race, but 26.2 consecutive one-mile competitions. "You treat each of those miles as a win. You start to break it down. As you do that, you build a little courage. You build a little confidence. You say, 'Wow, I've done ten miles. I'll do another mile. It's 11.'" Suddenly, you're nearly halfway there.

"And that's absolutely critical when you think about what we do as marketers."

Venture capitalists, Aldridge offered, prosper, even with a 75% failure rate. But marketers are expected to win ... all the time. "How do we move up the success ladder? It's by wins. It's by learning. It's by investing in a lot of metrics and the analytics. But it's also by believing in ourselves."

Schwab has pivoted to private equity for a fearless redefinition of its approach to consumer engagement. Said Aldridge, "What they do is they learn from those mistakes. They celebrate success. And they celebrate failure. At Schwab, we are taking that principal of venture capitalism and applying to our marketing.

"And we've coined this term 'venture marketing'. Basically, we test and learn, test and learn, test and learn. We learn from the successes. We learn from the failures. As you do that, you start to build up this confidence."

The Schwab evangelist acknowledged, "This is not a new principle" – and indeed, it almost has become an operational mantra in digital marketing – but he did outline three steps that are critical to driving the concept forward.

Venture leadership

It's "critical," Aldridge told the ad:tech San Francisco assembly, for marketers to "lead from the front."

Specifically, "You have to set expectations within a wide organization. And you have to do things differently: you're going to do things quickly to set yourself up for quick learning, quick success, quick failure."

Agility

Venture marketers need to embrace a methodology that allows them "to actually walk to the very edge of the cliff, look down and say, 'That's scary,' and still take half a step back, and believe that that's a really good place to be."

Amplify everything

The venture-marketing culture doesn't work in isolation. Aldridge advised, "If you can get the whole organization to drive this – to believe in this [and] celebrate failures just as they celebrate successes – you're at least halfway there to having a culture that will do these sorts of things."

At Schwab, the focus of marketing has shifted to ownership, a concept Aldridge described as "central to the American dream" – and which is also a foundational part of the Schwab consumer-engagement value proposition.

As an integral part of a social-marketing effort in its hometown market of San Francisco, Schwab teamed up with Hunter Pence, a San Francisco Giants outfielder – and someone who's concept of success on the way to a World Series championship is getting a hit one out of every ten times he goes to the plate.

The image shows a social media post from Hunter Pence. The main graphic features the text "162 GAMES" in large white font, with "Sponsored by Charles SCHWAB" in a blue box below it. A central graphic shows a grid of dots with a red checkmark in the center, and the text "Hunter Pence played every game in 2013" below it. The background is a blurred stadium scene. Below the graphic is a social media post interface showing a profile picture of Hunter Pence, his name "Hunter Pence", the text "3 days ago - sqor", and the caption "...and still going strong. I play for my team and my fans! What motivates you? #OwnYourTomorrow". At the bottom right of the post are icons for 22 Likes, 4 Comments, Share, and more options.

"We used his social network and we each created this connection between the sacrifices he makes every single day in order to be the best he can be, and the sacrifices investors – and our clients – make in order to create a better future for themselves."

A million impressions, Aldridge revealed, led to "a 10% engagement. That's not bad." And the cost of the program? "A pittance."

That success at the edge of the marketing cliff "gave us the courage when we launched a new product this year." This product was Schwab Intelligent Portfolios, a program that the financial-services organization launched around the March Madness of NCAA basketball.

A five-fold jump in Schwab adspend during the competition led to the kind of results that thrill even venture capitalists, not to mention venture marketers: "a 12-fold increase in impressions and in concurrent engagement."

By following its own program of amplification, Aldridge was able to tout the "small test/big win" value equation of the program.

But failures, he admitted, also have been a fundamental part of the brand's on-going marketing education. A partnership with Virgin America, the air carrier, provided little more than lessons: "It was a bit like the nerd at school trying to date the head cheerleader. It didn't work."

But from the Virgin America experience, Schwab did discover the kind of company its brand would best complement and a more natural partnership fell into place, this time with coffee specialist Nespresso.

The graphic features the Nespresso logo at the top left. It is divided into two main sections. The left section, titled "Event Details", invites attendees to "Come taste the exceptional intensity of Ristretto Intenso at charlesSCHWAB - Experience". It includes a photograph of the Justin Herman Plaza fountain and specifies the event dates as "Sunday, March 29 - Tuesday, March 31" from "9:00 am to 7:00 p". The right section, titled "Come to the Charles Schwab Experience and Experience Nespresso's Ristretto Intenso every morning until 11:30 am", features a photograph of two hands holding espresso cups. Below this is a navigation bar with "Add to Cal.", "Share", and "Contact Us" options. At the bottom, three call-to-action buttons are displayed: "Learn more about Ristretto Intenso", "Look for us at the Justin Herman Plaza", and "Schedule a meeting with us during the event".

Said Aldridge, "It's all about mutual benefit."

The two million streaming views of Charles Schwab's videos not only added a new dimension to the concept of venture marketing, but they "totally surprised us."

The brand's series about "positive change" came in support of the Intelligent Portfolios – another attempt "to try [and do] things differently; to think about social and digital in a very different way."

In developing massive amounts of test-and-keep/test-and-toss videos, Aldridge recognized that he was following a 20/80 program that adidas popularized: spend 20% of the broadcast budget on YouTube and related open-access channels, then see who responds. Finally, pick the consumers' choice of the "two, or three, or four that are working, and put 80% of their budget behind them" in paid media.

And, as success begets courage, so Aldridge's team took the #SoAmazing concept to the streets of San Francisco with "one of the largest-ever billboards on one of our buildings."



The progression of brand building into new venues "is all about creating that foundation to allow people to experiment," he said.

And it also follows the example of the marathoner in order to "succeed and to fail in equal measure – as long as it's smart failure. It's about doing things one mile at a time, not expecting to get there without going through the steps before then ... Which then enables us to get ... from the land of theory over this wall of fear to the land of action.

"We're challenging complacency, lethargy, defeatism ... But that's what venture marketing is all about."

About the author



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