

Re:Focus

Simple Ideas That Inspire Action

by Simon Sinek

For more, visit simonsinek.com

What Companies Can Learn From The Homeless

"I'm homeless. I'm hungry. I've got 6 kids. I've got AIDS. Please help. God bless," reads the handwritten cardboard sign sitting in front of the homeless man. Sometimes we are drawn to give and sometimes we're not. Regardless of what you may think is happening that sign he is holding is in fact a piece of marketing. The question is, is it an effective piece of marketing?

As much as we like to think we are giving selflessly, the fact is, every time we drop some spare change into the cup of a homeless person we are completing a perfectly legitimate business transaction. What the homeless are selling is the feeling of goodwill...and sometimes we buy it. More importantly, our decision to buy goodwill from one homeless person or another is based on all the same decision-making principles as any other purchase decision we make everyday. And, like most businesses, the homeless use marketing to help drive the transaction. In their case, billboards.

If the principles of communication work the same way for a company as they do for a homeless person, I decided to do a little experiment to prove it.

We found a homeless woman in New York who was willing to help. Sitting on the corner of 23rd St and Park Ave, she told us that she makes between \$20 and \$30 over the course of an 8-10 hour day (\$30 constituting a good day). Her sign was similar to the norm - I'm homeless, I'm hungry, please help, etc. She agreed to use our sign the next day and with it, she earned \$40 in 2 hours.

So what did the new sign say?

For starters, it didn't talk about her. Like so much bad marketing out there, her original sign tried to sell based on facts and details about her without considering why anyone would give to her in the first place. We don't know if any or all of the claims she presents are true and, like companies, she has also experimented with which claims work better than others.

Companies are no different. They offer features and benefits, facts and figures, everything they think we need to know about their product or service to encourage us to buy. A computer company, for example, tries to tout the superior memory and the processor speed or other bells and whistles. A law firm tells us they are one of the biggest firms with all Ivy League attorneys. A cereal company tells us their product is packed with vitamins and minerals and is part of a well-balanced diet. But why should we care? They've spent most of their time and energy telling us about them without saying a single word about us.

Claims or no claims, what if the whole marketing approach was completely flawed? What if effective marketing had nothing to do with features and benefits at all?

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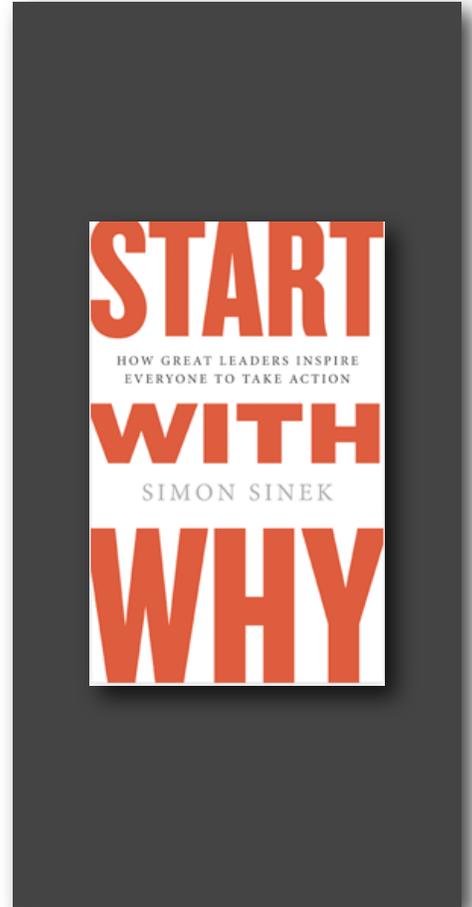
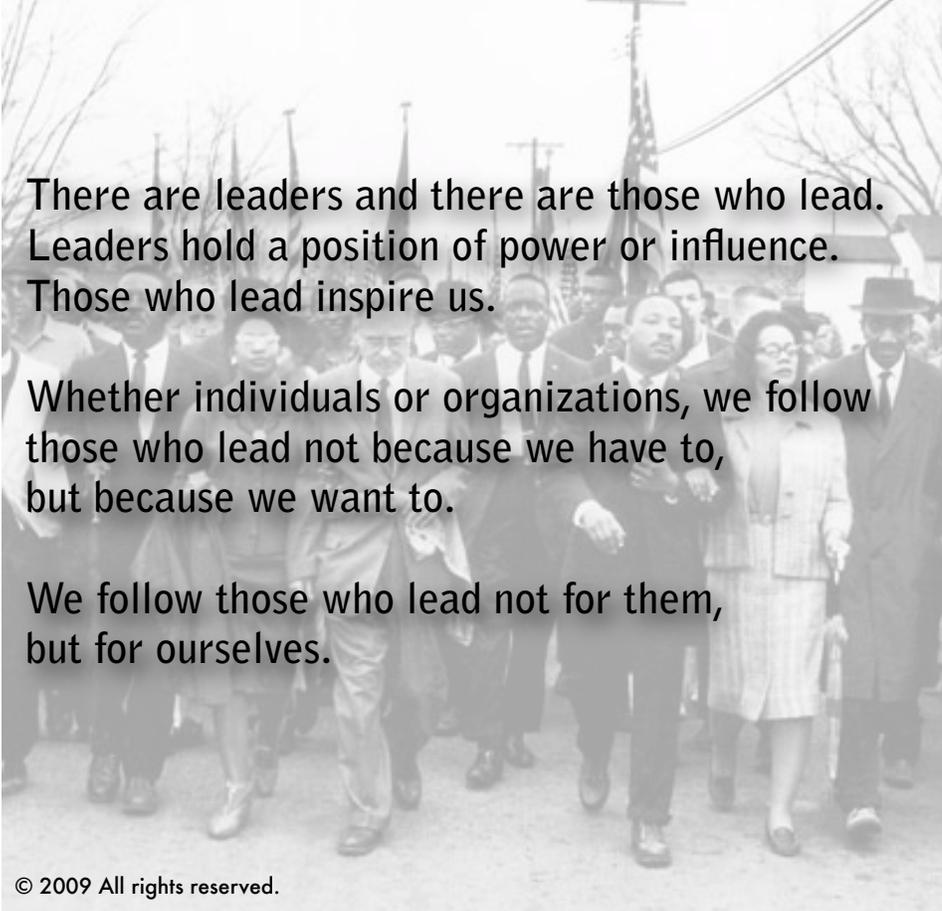
Good, effective marketing is that which talks about the buyer not the seller. We don't care about the seller, we care what we can get from the seller, and I don't mean the product attributes . We want things that reflect our own values and beliefs, things that fit into how we live our lives.

So what can companies learn from the homeless? Stop talking about yourselves and start talking about why anyone should care. Talk about our lives and simply place yourself and your products comfortably into our lives. That's exactly what we did with that homeless person's billboard.

And what about that sign? What did the new sign say that was able to double revenues in a quarter of the time?

It said simply: "If you only give once a month, please think of me next time."

Inspire Action



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—William Ury, co-author of *Getting to Yes*
and Co-founder of The Program on Negotiation at Harvard Law School

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