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Grow Your Business Now

In the emerging real-time business environment, where public discourse is no longer dictated by the mass media, size is no longer a decisive advantage. Speed and agility win.

In this chapter we examine a “Dave versus Goliath” contest that shows how even one individual can outgun one of the largest, most “scientific” marketing, PR, and customer-service organizations on the planet. We also discover how other agile players quickly harness the momentum of Dave’s slingshot.

Now, more than at any other time in history, speed and agility are decisive competitive advantages.

“My God, they’re throwing guitars out there,” said a woman in a window seat as passengers on a United Airlines flight waited to deplane in Chicago on March 31, 2008.

Singer-songwriter Dave Carroll and fellow members of Sons of Maxwell, a Canadian pop-folk band, knew instantly *whose* guitars. Flying from home in Halifax, Nova Scotia, for a one-week tour of Nebraska, their four guitars were in the airplane’s hold. Sure enough, when the bass player looked out the window he witnessed United baggage handlers tossing his bass.

The band did not have to wait to retrieve their luggage in Omaha, their final destination, to start complaining, because they had actually observed

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this abuse of their equipment. As they made their way out of the plane, they told the flight attendants what they had seen. “Talk to the ground staff,” they were told. But the O’Hare ground staff said, “Talk to the ground staff in Omaha.”

Sure enough, when Dave opened his hard-shell case in Omaha he discovered his \$3,500 Taylor guitar had been smashed. And United Airlines staff in Omaha refused to accept his claim.

So Dave spent months phoning and emailing United in pursuit of \$1,200 to cover the cost of repairs. At each step, United staff refused to accept responsibility and shuffled him off: from telephone reps in India, to the central baggage office in New York, to the Chicago baggage office.

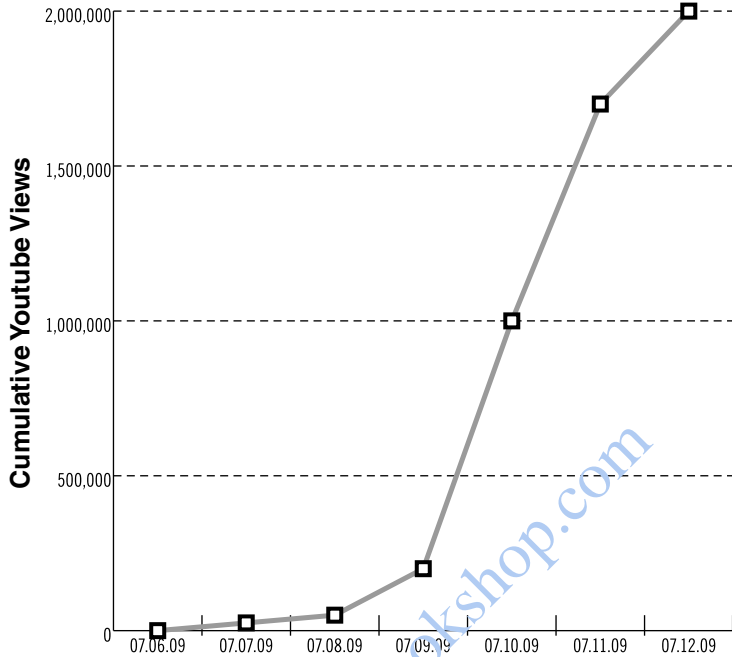
Finally, after nine futile months, Dave got a flat “no.” No, he was told, he would not receive any form of compensation from United.

“At that moment, it occurred to me I’d been fighting a losing battle all this time,” Dave told me. “I got sucked into their cycle of insanity. I called and emailed and jumped through hoops, just as they told me to do. The system is designed to frustrate customers into giving up their claims, and United is very good at it. However, I realized that, as a musician, I wasn’t without options. So when I finally got the ‘no,’ I said, ‘I urge you to reconsider, because I’m a singer-songwriter and I’m going to write three songs about United Airlines and post them on YouTube.’”

Making good on this promise, on July 6, 2009, Dave posted on YouTube “United Breaks Guitars,” a catchy tune with memorable lyrics that tells the saga of his broken guitar:

United, United, you broke my Taylor Guitar
United, United, some big help you are
You broke it, you should fix it
You’re liable, just admit it
I should have flown with someone else
Or gone by car
'Cause United breaks guitars
Yeah, United breaks guitars

Within just four days, the video reached 1 million views on YouTube. And then another million. And another.



United Breaks Guitars: YouTube Video Views

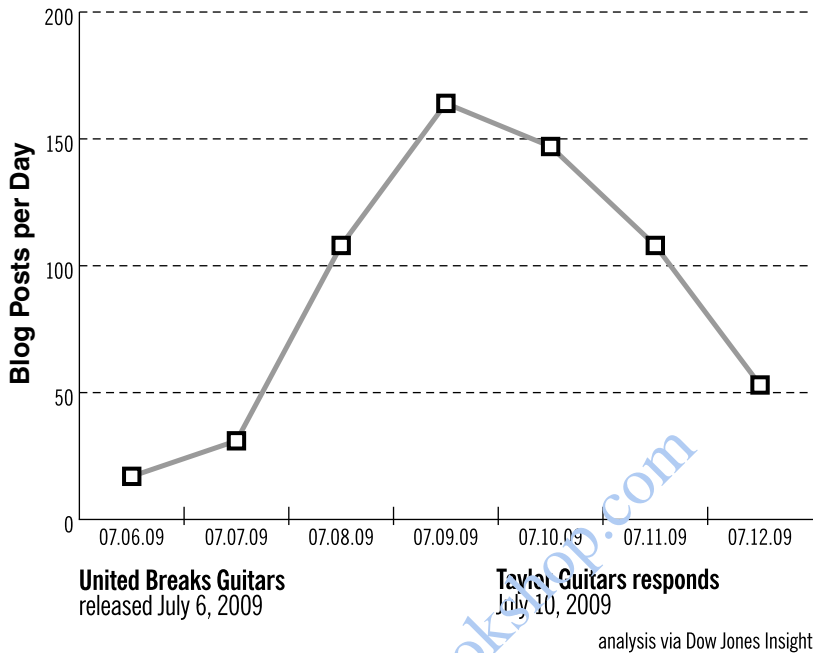
Momentum built from July 8 to 11 as up to 100 bloggers a day alerted their readers to the video. Incidentally, notice how the number of blog posts per day follows a bell-shaped curve—starting slowly (because Dave Carroll wasn't well known), building to a peak, then trailing off. We come back to this in Chapter 5 when I discuss the importance of what I call the Real-Time Law of Normal Distribution.

This is a story about speed in media relations.

“United Breaks Guitars” soon became a real-time phenomenon that propelled Dave into the spotlight. It continued to grow in the spotlight because Dave was ready and able to speak with the media in real time, conducting dozens of interviews in a few days while the story was hot.

This is also a story about real-time market engagement.

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United Breaks Guitars: Blog Posts per Day

The maker of Dave's instrument, Taylor Guitars, seized the real-time opportunity to build goodwill among customers. Within days of Dave's initial YouTube post, Bob Taylor, the company's president, had his own video up on YouTube, advising traveling musicians how to pack equipment and use airline rules to best advantage.

There's more: This is a story of real-time product creation, too.

Calton Cases, a specialist maker of highly durable instrument cases for professional musicians, likewise seized the moment. Within mere days, Calton had a new product on the market: the Dave Carroll Traveler's Edition Guitar Case.

Finally, this is about a company that chose not to connect with customers.

As millions of potential customers saw a video that persuasively cast its brand in the worst possible light, negating the value of tens of

millions of dollars in media advertising, United Airlines chose to make absolutely no response. This from the largest player in one of the most consumer-facing of industries, an industry that over decades has spent billions on advertising, public relations, and “scientific” customer-service methodology.

As a YouTube phenomenon “United Breaks Guitars” has drawn attention from thousands of media commentators. But two aspects have been overlooked: the reasons why Dave’s video gained so much momentum, and the way agile players on the periphery were able to surf that momentum.

Dave’s Slingshot Goes Viral on Goliath

I learned about “United Breaks Guitars” from one of my readers three days after Dave posted it on YouTube. At that time the video had about 200,000 views, and after watching for 30 seconds I said, “I need to blog this *right now!*” It was so fresh and exciting that I wanted my blog readers and Twitter followers to hear about it from me first.

So I quickly wrote a blog post, embedded the video, and pushed it live within half an hour of discovering it. I also tweeted the link to my 20,000 (at that time) Twitter followers. I was just one of many triggers that helped spread the video to millions. But I was early—because I reacted *in real time*.

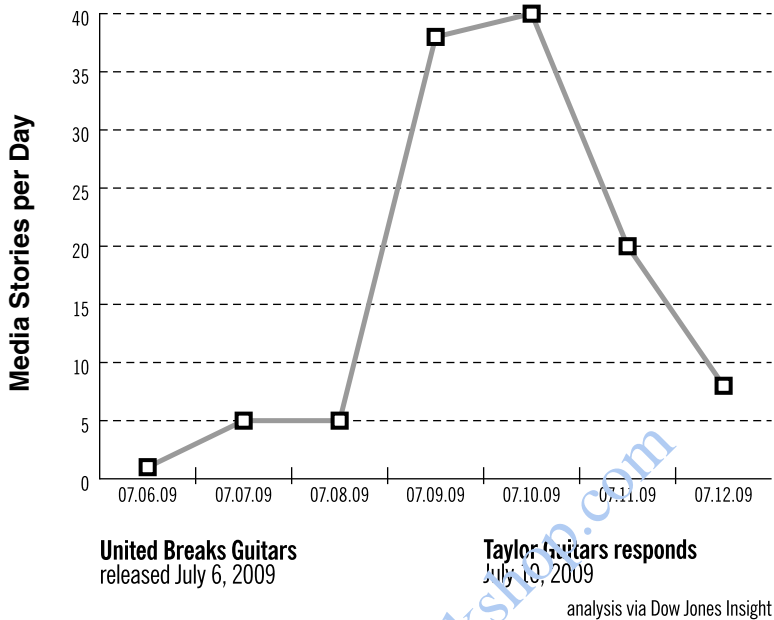
The video’s first viewing growth spike came on Day 2 (July 7). After *The Consumerist* web site posted a link to it, the number of views jumped to 25,000. The *Los Angeles Times* called Dave that day. So did several local Canadian publications.

Next day, July 8, after CNN broadcast part of “United Breaks Guitars,” Dave was suddenly the media celebrity of the moment.

Improvising with the snowball, Dave mounted a real-time PR effort that many agencies would be hard-pressed to match. Family members set up a communication room, fielding media requests that flooded in by phone and email, and triaging Dave’s schedule in real time to ensure he made it onto the highest-profile outlets. His 15 minutes of fame were happening *right now*, and he needed to ride it as hard as he could.

“I knew I was reaching a big audience when I was about to tape an interview with CTV and the host said I was on *The Situation Room with Wolf Blitzer* on CNN at that moment,” Dave says. “We raced from one interview to

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United Breaks Guitars: Mainstream Media Stories per Day (television, radio, newspaper, magazines)

another. While someone drove me studio to studio, I did newspaper interviews on my cell phone.”

In this way, Dave managed to do dozens of interviews in a few days with print outlets like the *Wall Street Journal*, *USA Today*, and the *Los Angeles Times* and broadcasters like CBS, CNN, and FOX. With each media appearance the number of YouTube views spiked higher.

Evolution of a Real-Time Media Explosion

Monday, July 6, 2009: Dave Carroll posts “United Breaks Guitars” at midnight Atlantic Daylight Time. “There were six views by the time I went to bed,” he says.

July 7, 8:00 A.M.: “There were 330 views when I woke up,” Dave says. “I was excited, and called the videographer.” That morning,

Carroll is interviewed by his local newspaper, the *Halifax Herald*, and an online story appeared later in the day.

July 7, 12:00 P.M.: Video up to 5,000 views. *The Consumerist* web site posts a link to the video that delivers 25,000 YouTube views in a few hours. Bob Taylor of Taylor Guitars and Jim Laffoley of Calton Cases also see the video. Laffoley contacts Carroll, asking how they might collaborate. *Got that? A mere 12 hours after posting the video, Carroll had an offer to collaborate with Calton Cases!*

July 7, 8:00 P.M.: While Dave Carroll is playing a gig, United Airlines calls and leaves a message: They want to speak with him. So does the *Los Angeles Times*.

July 8: "By Wednesday, things got busy," Carroll says. He is interviewed by the *LA Times* and several Canadian publications. Parts of the video air on CNN, as the video passes 50,000 views on YouTube. FOX News and CBS both call for interviews. United calls again, and Carroll sets a time to talk—two days later. *Why bother rushing to talk with United? After all, they blew him off for nine months.*

July 9: As the video passes 200,000 YouTube views one of my readers points me to it and I post it to my blog right away. Laffoley and Dave make plans for the Calton Cases Dave Carroll Traveler's Edition Guitar Case.

July 10: "United Breaks Guitars" reaches 1 million YouTube views. Taylor Guitars posts its YouTube response. Dave talks to United Airlines by phone—and even now they don't apologize. But with some weasel words about the "regrettable incident," he is finally offered compensation. He rejects this as too late, suggesting the money be given to someone in a similar situation.

July 12: "United Breaks Guitars" reaches 2 million YouTube views.

July 19: Web site for Calton Cases Dave Carroll Traveler's Edition Guitar Case goes live. *Note how quickly the new product is developed and launched.*

July 22: BBC television interviews Dave. "Minutes after the interview ran, competing stations called wanting to speak with me. I did nine phone interviews in one day," Carroll says. "United Breaks Guitars" is released on iTunes and becomes the number one country and Western download in the United Kingdom.

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July 23: “United Breaks Guitars” reaches 3 million YouTube views.

August 18: The second song in Dave’s United trilogy is released.

September 14: In a meeting at O’Hare Airport (scene of the crime, so to speak) three senior United executives finally apologize to Dave. *Note the contrast between United Airlines’ glacially slow and sluggish apology and communication efforts and the speed and agility of Dave Carroll, Taylor Guitars, and Calton Cases.*

September 22: Dave speaks at a U.S. Senate hearing on airline passenger rights.

The Stories behind the Story: United Airlines, Taylor Guitars, and Calton Cases

The phenomenon that Dave Carroll created with “United Breaks Guitars” is a textbook example of what I call a World Wide Rave (see my 2009 book with that title), an online chain reaction that takes off when people spread your ideas by repeating your story. And there is much to learn from it if we dig a little deeper.

What Dave achieved is amazing in its own right. But as an observer of these phenomena what fascinates me is the way Taylor Guitars and Calton Cases were able to react in real time to seize the marketing opportunity that Dave’s momentum created. On the other hand, United Airlines exhibited a paralysis in the face of a snowballing crisis. In the spread between the small, speedy, and agile players and the slow, clumsy giant I see prima-facie evidence that a revolution has indeed been set in motion.

It’s worth taking a closer look at how each of the players reacted.

Break a Taylor Guitar and You Break this Man’s Heart

When “United Breaks Guitars” burst on the scene Dave Carroll was already on Taylor Guitar’s radar. The El Cajon, California–based guitar maker had featured his band in its owners’ magazine, *Wood & Steel*. And having played a

Taylor for 10 years, Dave was a brand devotee—so the song’s lyrics weren’t about any old guitar getting broken. United broke his *Taylor*.

With lyrics that paid his product such respect, no surprise that Bob Taylor, the guitar-maker’s founder and president, heard about it within 24 hours, via a tip from an ex-employee. “I was a fan a tenth of the way through . . . even before he talked about his Taylor guitar,” Bob Taylor told me. But as soon as he heard that the damaged instrument was a Taylor, Bob contacted Dave and offered a free replacement. And he didn’t stop there.

“I was discussing with our marketing people how we could send a gentle message supporting Dave and the hundreds of others who’ve had guitars broken on airplanes,” Taylor says. “We know this sort of thing happens a lot, and I wanted to let others know ‘it’s not your fault . . . we feel your pain . . . we can advise you on how to travel safe in future.’ We also wanted to let people know that we can fix their instruments.”

That’s what led Bob to shoot his own YouTube video, “Taylor Guitars Responds to ‘United Breaks Guitars.’” Set in the company’s service center, the video features no slick production values. “We wanted to convey that we’re like family and you’re inviting us into your living room,” Taylor says. “The idea was to say, ‘Hey, we’re just people, too, and we have some resources that can help you.’”

Watching the video, I was struck by its deep sincerity, and when I spoke to Bob I learned why. Taylor Guitars is a personal enterprise. Bob started making guitars in high school and founded the company when he was 19. Thirty-five years later he’s still in love with his high-school sweetheart—and that shines through in everything he says.

In his short video, Bob offers tips about how to pack and travel with musical instruments. He told me he’s been using video for about 10 years, first for training new hires, more recently for marketing purposes on taylorguitars.com and a YouTube channel.

“If the subject is guitars, I’m comfortable in front of the camera,” Bob says. “I did three takes of my ‘United Breaks Guitars’ video—and the whole thing took about 15 minutes’ work for me, plus a few more hours for the people working on the rest: things like the logistics and posting.”

While the Transportation Security Administration (TSA) and the American Federation of Musicians (AFM) came to an agreement to allow guitars to be considered as carry-on luggage in 2003, thousands of

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musicians can relate a personal tale of instrument mistreatment at the hands of any number of airlines.

Know the pertinent policies of the airline on which you are traveling. Print them out and take them with you. Many flight attendants do not know their own airline's policy regarding carry-on guitars, so if you can calmly explain that your instrument is within their mandated guidelines, and actually show them those guidelines, you will be way ahead of the game.

The Taylor Guitars' video response to "United Breaks Guitars" was quickly seen by hundreds of thousands of YouTube viewers, and more than 500 viewers left positive ratings and comments. Given the informational content of the video (guitar travel and repair), most viewers were likely professional musicians: Taylor's core market.

To me, that's an impressive return on investment: less than one day's work yields several minutes of detailed attention from, as of this writing, nearly a half million core customers—all because Taylor was alert and agile enough to seize a real-time marketing opportunity: the fleeting moment when Dave Carroll's video was all the rage.

While working on this book, I was struck by how few marketers are prepared to move as fast as Taylor Guitars did. Even if they spotted the chance, most companies would still be discussing it when the window closed.

So why was Bob Taylor able to act so fast?

A Teachable Moment

Although Taylor Guitars had been talking about the proper care and handling of guitars for years, customers tend to ignore such advice—along with everything else found in the back of an owner's manual. So Bob Taylor immediately saw Dave Carroll's experience as an ideal platform on which to build a sense of urgency around a key topic.

Bob was among the first to see "United Breaks Guitars," which had then racked up only 5,000 YouTube views.

"I saw it as a teachable moment because so many people were talking about guitars on airplanes," Taylor says. "We already knew you have to jump on opportunities to communicate when something happens, because it is too

late when it is over. And since Dave used video, we figured that was the way for us to tell our story, too.”

Taylor’s team had already shot many videos, so they were able to act fast once the decision was made. They already had a YouTube video channel in place.

“We don’t wait for the stars to align, we just shoot it quickly. It’s just a grassroots sort of thing. We just wanted to talk to our peeps while they are enjoying Dave’s video.”

He may not wait for the stars to align, but Taylor has learned to spot rare opportunities that arise when stars take his product on stage.

“There are very few times something happens that takes our brand forward a few steps,” Taylor says. “Newscasters were saying Dave’s guitar was a Taylor guitar. I’ve been doing this for 35 years, and only about a dozen times has something this big come our way . . . like when Taylor Swift began to play Taylor Guitars on stage. When luck turns your way, you can’t squander it. Thanks to Dave, now many more people know Taylor guitars. This was a big branding leap for Taylor Guitars.”

Case Study in Real-Time Product Development

Dave Carroll’s predicament was hardly a case Jim Laffoley could fail to notice: Damage to guitars in transit is specifically what his product is designed to prevent. What’s more, Dave’s Halifax home is three hours down the road from Moncton, New Brunswick, where Laffoley is president of Calton Cases (North America) Inc.

Musicians around the world consider Calton’s products among the most secure cases for stringed instruments, from violins to cellos to guitars. And guitar cases are the company’s biggest seller. In fact, had Dave Carroll used a Calton Case when “Flying United” he may not have had an issue with the airline.

“Our primary customer is a professional musician,” Laffoley told me. “My goal is to get more professional artists as customers. I wanted to put an artist up on a pedestal because artists are the perfect spokespeople for our products.”

“On the Tuesday morning, my lawyer called saying that he’d just seen the ‘United Breaks Guitars’ video,” Laffoley says. At the time, the video had about

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25,000 views. “So I called Dave and said, ‘You are the perfect spokesman for my product,’ and he was immediately receptive to working together.”

For starters, Laffoley offered to provide Dave with cases for the band’s upcoming tour. But the collaboration quickly moved further.

“It took about two days to go from offering a few cases to proposing a custom-branded line of products,” Laffoley says. “And Dave saw the value right away.”

As the video passed 200,000 YouTube views, the Dave Carroll Traveler’s Edition Guitar Case was born. Every hard-shell case is handmade, and available in 16 exterior and 12 interior colors.

“We came up with an aggressive price point to attract people who wanted to get into a Calton case,” Laffoley says. “\$725, including shipping anywhere in North America.”

Dave Carroll is happy because he gets a cut from each sale and his fellow artists are likewise happy because it’s priced lower than a regular Calton case. But the only difference from a regular Calton is the custom badge Laffoley created almost overnight.

As a result, the Dave Carroll edition was offered for sale on Calton’s web site—and promoted on Dave’s site—within days of the YouTube video release.

Sure, it was only a rebadging effort. But in today’s corporate world where product-development efforts involve months or years of “process,” it is remarkable to see a product go from concept to sale in just days.

“My background is product management,” Laffoley says. “So I was able to work quickly. But all I really did was get Dave to agree, change the label, change the price point, and work out distribution. Sales are going well so far. We’re selling cases that we never would have sold without the Dave Carroll edition.”

United Comes Untied

Although Dave Carroll’s video was making United baggage handlers famous for the wrong reasons, everyone *but* United Airlines was working to seize the moment. Dave was all over the media worldwide. Bob Taylor was teaching musicians how to safeguard and fix their prized instruments. And Jim Laffoley was seizing the moment with a custom-branded guitar case.

Meanwhile, United said absolutely nothing in public. Its PR staff provided no explanation on the corporate web site, offered no statement to the media,

and posted no comments on the many blogs that (like mine) talked up the video. In other words, they did not react in real time.

By failing to do so, United missed a huge opportunity to dampen and deflect criticism before it snowballed—and a chance to present a sympathetic, humane face to its customers. Instead of doing something interesting and creative—like a YouTube video of all their baggage handlers bowing in apology, Japanese-style—United chose stony silence. This was just the first of countless opportunities the airline missed. Or how about this as a response—what if United had made a “suitcase camera” that recorded the journey a bag makes at O’Hare as it goes from one plane, through the bowels of the airport baggage system and onto another plane. The video could be sped up to about a minute and narrated by the chief baggage handler. Now that would have generated positive, real-time attention!

United did try to make amends behind the scenes by contacting Dave—but even this effort was ham-handed. “They did not say that they were sorry,” Dave recalls. “They did say it was *regrettable*, and they offered some compensation—only because I’m a *good customer* and not because of the video. But I said from the outset that if I had to go the video route, I wouldn’t accept compensation personally; that they could give the money to another customer with a damage issue.”

It took a lot of punishment for the message to sink in, but Dave thinks United may have finally learned from this experience. He’s been told that “United Breaks Guitars” is now used in customer-service training to illustrate how quickly things can turn ugly. And on September 14, 2009, he met with senior United Airlines executives in Chicago.

“They were friendly and engaging and actually said that they were sorry,” Dave says. “They took responsibility. Although they did not make excuses, they did talk about some of the reasons for the issues. I told them that there should be some clarity about the United policy on guitars and allowing musicians to take guitars on board. While the policy was always there, they did not make it clear, so they have added a link.”

Sadly, the nonreaction *in public*—the instinct to ignore a huge online uprising—is still way too common in the corporate world. I’ve identified many reasons for this behavior, including undue influence by legal departments who fear “saying something that admits responsibility,” sheer panic among frontline staff, bad advice from PR agencies, and executives steeped in a business culture of “no comment.”

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Although they may have learned something from this, United continues to miss opportunities. As part of my research for this book, on October 7, 2009, I emailed the airline's media relations staff to request an interview. In fairness, I wanted to offer you United's side of the story; to let them tell you what they had learned.

Although my initial email was returned promptly, the media relations staff declined to grant me an interview. And so the damage continues as you read. Does all this make you want to “Fly United”?

Has United Airlines really learned from this disaster? In a similar situation would they now realize the importance of engaging the online dialogue in real time? Would they create their own interesting YouTube video to deflect some of the criticism? Would they take the opportunity to humanize the company and show they care about their passengers?

Dave's Big Win

If United learned and gained nothing from this encounter, the opposite is true for Dave Carroll. His career blossomed under the YouTube spotlight. His band is constantly in demand for live gigs, and listeners buy songs from his web site and iTunes.

“If my guitar had to be smashed due to extreme negligence, I'm glad it was United that did it,” Dave says. After more than 8 million views of his videos, Dave jokes, “United broke my career!”

Dave may be famous now, but that was not what he set out to achieve. “My expectations were low,” he says. “I was just hoping people at United would see the video and take it seriously.”

What made Carroll's video turn into a World Wide Rave while so many others go unnoticed? People I've asked all point to the song itself—which is really good. “I've been working on the songwriting craft for a number of years,” Dave says. “The story was laid out well and had hooks in all the right places. But for an independent musician it is tough to get things heard. I don't think the song would have spread without the United Airlines aspects. This song could only have been a success in this particular way.”

The song itself was certainly essential, but I'm convinced that Dave's availability to do dozens of media interviews in the hectic first days of the song's release that pushed the video from a few hundred thousand views to several

million views in just a few days. In other words, Dave's real-time media relations effort was essential to the viral explosion of the video.

Sudden success has taken Dave's career through many unexpected turns. Having successfully reinvented his personal brand in real time, like it or not, he will be known forever as "that United Breaks Guitars guy." But it's a role he is eager to play.

"Everybody knows this song," he says. "It's the perfect door opener. And now I'm even getting asked to speak about customer service at corporate events."

Dave has also become an unlikely spokesperson for airline passenger rights, having testified at the September 2009 U.S. Senate hearings on the issue. "I'm recognized all the time now when I fly with my guitar," he says. "Many musicians contact me to thank me about drawing attention to the challenge of traveling with guitars. After all, we're talking about our livelihood."

Real-Time Engagement

Real-time marketing.

Real-time product development.

Real-time communication.

Real-time customer service.

What can we learn from a Dave versus Goliath contest in which one irate Canadian musician utterly and completely whips one of the largest marketing and customer-service operations in the United States? What gives when a single improvising amateur can defeat an outfit that should be one of the most sophisticated of its kind on the planet? And how was it that two other small players were able to ride the victor's momentum?

The answer is that the rules have changed. The balance of power has been irrevocably altered.

Scale and media buying power are no longer a decisive advantage. What counts today is speed and agility.

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It takes speed and agility, plus the kind of creative imagination and craft skill that allowed Dave Carroll to write a song every bit as powerful as a Stinger missile.

It takes quick thinking and guts to put your organization out there, to react to events in real-time like Bob Taylor did. But the rewards can be huge. As this book was being finished, Taylor Guitars was working hard to keep up with market demand. The company is making a record number of guitars, nearly 25 percent more than the highest production level in 2008. So a real-time mind-set can affect the bottom line.

If you run a huge business like United Airlines, this should scare the living corn flakes out of you. Perhaps this should cause you to reflect on whether combining two huge bureaucracies in search of greater scale solves your problem or magnifies it.

If you're big, this should scare you—but it need not cause you to lose heart. Whether you run a one-person start-up or a vast global enterprise, you have an equal opportunity to grow by engaging the world around you in real time.

In the chapters to follow we take a practical look at what it takes to win in this new environment. And yes, as you'll see in Chapter 5 large organizations also win . . . if they know what to do.