

Holistic Marketing – How A Company Can Benefit from the Marshmallow Experiment In Real Life

By Wolfgang Philipp

In marketing, building long-term value for a company resembles Stanford University's famous Marshmallow Experiment in real life: Is anybody going to blink when a short-term goal has to be sacrificed for the greater good?

This article provides an inside view into today's marketing, the advantages of a holistic approach, and how it can work among independent departments and experts – to the benefit of everyone.

In an environment of constant change, marketing has become a collective term for hundreds of specialized disciplines that represent a company. The increasingly complex domain requires the expertise of many deeply specialized firms, from naming experts to digital agencies optimizing social media ads.

Many teams are working on many missions, but who is in charge of the one overall customer experience? The customer does not discern between branding, product benefits, or the targeted ad in their feed – everything that happens in the name of a company contributes to the big picture.

Brand, product, and communication are connected inseparably together – in stark contrast to the separate departments managing them, which partner with disconnected specialist agencies on independent missions.

The key separators among all stakeholders are their different incentives – and thus particular perspectives.

1 MARSHMALLOW, 2 MARSHMALLOWS – OR NONE

In a nutshell, the original Stanford experiment¹ is about delayed – and magnified – gratification. A child can choose between one marshmallow candy immediately or two marshmallows if they wait for 15 minutes.

In marketing, those who profit from long-term gratification are those with a long-term perspective. It's the owners, investors (not the shareholders!), and the customers who are attracted to strong, compelling brands providing an astounding customer experience.

The list of those who have no incentive to wait for a delayed, bigger gratification – since there is none for them – is significantly longer. Ironically, they are usually the ones who build the brand, develop the products, and create the communication.

Their perspective is limited to short-term, often annual, incentives. X% market growth, Y% additional margin, Z% target return. In the absence of a long-term perspective – an additional marshmallow – they go for the instant gratification and do what has to be done: the end-of-year sale to meet the requested increase in market share, the cost-reduction program to find more profit and the like. This works on the micro level of a single department, which successfully reaches its annual goals. On a macro level, independent short-term efforts regularly cause friendly fire: The fight for additional market share interferes with the efforts to increase profit, which doesn't help quality improvement and so on.

Holistic marketing can break the limited focus on short-term gratification by providing one common, long-term perspective for everyone – it hints at a full bag of additional marshmallows.

¹ Mischel, Walter; Ebbsen, Ebbe B. (1970). "Attention In Delay Of Gratification". Journal of Personality and Social Psychology, Vol. 16, No.2, 329–337.

A NEW, PROFOUND PERSPECTIVE

The holistic strategy paints a profound big picture for the long-term of the brand, product, and communication. This new, centralized perspective gives a head start to all decentralized parties involved: They can take it and start right away providing their specific expertise without each individually having to establish a macro level standpoint first – constrained by time and their own biased perspective, and lacking a market-specific insight.

Developing a holistic strategy is not to be confused with a “do-it-all” generalist approach from one constrained perspective. It requires an in-depth understanding of all different perspectives to being able to form a holistic insight.

HOLISTIC MARKETING – THE PURSUIT OF EXCELLENCE

Specialization has led to an unprecedented depth in marketing expertise from market analysis to content creation for specific platforms. While the expertise in the smallest segments has exponentially increased, the expertise in terms of establishing and providing a profound big picture has been widely neglected.

In this cluttered environment, it’s no longer enough that a restricted circle around the CEO has a secretive big picture in mind, when the implementing experts start from a different perspective. A solid common ground is necessary to achieve excellence.

The expertise of a holistic strategy is based on three core principles.

1 Holistic Perspective

A holistic perspective can only be formed by a thorough proficiency of both the art of marketing and the industry of the respective company.

The holistic perspective is entrepreneurial and creative at the same time – brand, product, and communication have to be understood in the context of the respective market the company is in.

How can someone grasp an automotive brand without a detailed background of its heritage, experience of its products,

knowledge of its competitive landscape, and its market’s outlook? This level of expertise in market, company, and environment cannot be gained within a single project or a quick win analysis.

Ultimately, the holistic perspective is driven by a deep interest and passion for the market and marketing, and constantly evolving.

2 Independency

A holistic perspective allows one to diagnose carefully what the next most relevant step for a company regarding brand, product, or communication should be. Its strategy is uncompromisingly set up for the long term.

The holistic consultancy has only one, uncompromised goal: long-term brand equity. It provides the strategic hub for all segment specialists and should not have any incentive to reach internal short-term benefits nor sell specific external services or media.

3 Applicability

The key for the central strategic platform is to provide direct applicability for the segment specialist to excel in their domain with a clear direction from the beginning. To get a head start, every specialist and all their employees must be able to easily understand the big picture and their role in it. It must be workable for all marketing segments, even with limited experience in the client’s specific industry.

The holistic marketing consultancy is the strategic partner for the specialists – internal and external – to thrive.

THE SWEETEST MARSHMALLOW OF HOLISTIC MARKETING: EXCELLENCE

The biggest delayed gratification for implementing a holistic strategy is a significant competitive advantage for everyone involved: The segment specialists can fully focus on their expertise while collaborating through the same strategic platform, which leads to an amazing and consistent customer experience, which in turn leads to increased profitability and brand equity.

The holistic strategy is the common language that makes the collaboration of independent

specialists and departments work. Being centrally developed, updated, and shared among all partners, it constantly evolves with the results from the market and ensures excellence.

THE SECOND-SWEETEST MARSHMALLOW OF HOLISTIC MARKETING: EFFICIENCY

The common language of a holistic strategy also increases the efficiency of experience, time, and money. The centralized perspective on strategy enhances communication, trust, and collaboration between decentralized expert departments. Instead of fighting a short-term zero-sum game, they are now all working for the same, greater long-term goal.

ARE YOU READY FOR THE LONG-TERM GRATIFICATION?

The Stanford experiment's purpose was to find out when children begin to understand and control the concept of delayed gratification.

While the experiment was a single-play, single-person game, the continuous game of marketing – with its dozens independent and differently incentivized players – is significantly more complex. In today's setting, a long-term approach is often a losing battle as long as some players are better off choosing instant gratification.

Holistic marketing changes the game by giving the same long-term perspective to everyone. Short-term strategies will no longer be incentivized and become irrelevant. It's now no marshmallow or two marshmallows to speak in terms of the experiment.

Holistic marketing unites all departments and specialists across brand, product, and communication to a collaborative power team: the common ground gives every entity involved a head start – it can fully focus on its specific expertise without having to find direction first. Holistic marketing is more than the sum of its parts, providing a new level of excellence: It leads to an amazing and consistent customer experience – and a long-term competitive advantage.

GET YOUR HEAD START ON THE COMPETITION NOW

The beauty of holistic marketing is that it works with the existing teams – it gives them a clear view on the full pack of marshmallows to come.

Get in touch with us at info@phantasia.consulting to learn more about our four-step holistic diagnosis and get your head start on the competition now.

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