

BMA BUSINESS MARKETING
ASSOCIATION
Northern California
6-part Event Promo Blog Series

NorCal BMA's 75th Anniversary Party
“Inception to Inspiration”
(2013)

Every Thursday leading up to the BMA 75th Anniversary event on Oct 29 we will publish a bit of history on our website. We hope you enjoy reading these articles as much as we've enjoyed researching them.

--2013-14 Norcal BMA Board

How long is 75 years? One might think “75 years is 75 years” until you consider the pace of change. In 1938, the average cost of new house was \$4,100 and average wages per year were \$1,780. A gallon of gas cost 10 cents. Where were we innovating? In 1938, the Golden Gate Bridge had just opened, and so did the first blood bank in Chicago. The BBC used its outdoor broadcast unit for the first time to share the coronation of King George VI—the subject of the recent movie “The King’s Speech”—and a radio-captivated U.S. audience welcomed the CBS World Roundup.

Bottom line, we’ve probably seen more innovation and fundamental change in the past 75 years than in the past 500 years combined!

And for 75 years the history of the Norcal BMA has been intertwined with the technology companies in what has come to be known as the Silicon Valley. What better way to tell our story than to highlight the marketing and technology innovations that have had such a profound impact on marketing, communications, and our daily lives today for the past 75 years?

Part 1

The History of Marketing (short version)

The pace of change has clearly accelerated, but one thing remains true—marketing is and has always been a blend of art and science. For example, the science news of 1450 was the invention of Gutenberg’s printing press, which would ultimately lead to mass-produced written communications. A not-so-trivial historical sidelight: in 1836 the first paid advertisement ran in a French newspaper, signaling the advent of advertising’s ability to influence the masses for good or ill.

The Norcal BMA is throwing an anniversary party on October 29 because 75 years is an important milestone in our history! By the way, it's also the 90th birthday of the BMA National organization, so we'll start our story of marketing and innovation in the 1920's when modern marketing—or advertising as it was called then—really began.

In 1922, the Grandfather of the BMA, the Industrial Department of the Associated Advertising Clubs of the World, was born (though it wouldn't be known as the Business Marketing Association until 1993).

In the 20's, modern advertising came to the fore with innovative techniques introduced in tobacco advertising—most significantly in the campaigns of [Edward Bernays](#). [This pioneer](#) is often considered the founder of Madison Avenue-style advertising and public relations, which, of course, has been equated with “propaganda and manipulation” vs. “education and influencing.” According to Wikipedia, Bernays combined the ideas of Gustave Le Bon and Wilfred Trotter on crowd psychology with the psychoanalytical ideas of his uncle, Sigmund Freud.



In 1922, Keith J. Evans developed sales analysis into a science that clearly defined market potential. His work was instrumental in guiding advertising into the most productive channels available to his company, and it served as a model for others. Radio advertising also began in 1922. And in 1922, the grandfather of the BMA, the Industrial Department of the Associated Advertising Clubs of the World, was born (though it wouldn't be known as the Business Marketing Association until 1993).

The Greatest Ad Campaign of its Time (1930-1950)

You can argue that the art and science of marketing really reached a peak in 1939 when DeBeers launched "A Diamond is Forever," one of the most effective campaigns of the 20th century. Young men, who bought 90 percent of engagement rings, were instructed that diamonds were a gift of love and

praised for their business savvy. Women, too, were targeted as DeBeers taught that a successful courtship culminated in a diamond. Famous houses of worship were featured in other ads, establishing a link between a diamond and a religious wedding. Today, diamond engagement rings are commonplace, but were it not for one company and its drive to dominate the industry, history would have been written differently.

Radio and print were the most far-reaching and influential media during most of the 30's. But that changed in April 1939 when Franklin D. Roosevelt became our first president to appear on TV. The setting was the World's Fair in New York, and his appearance was broadcast to a mere handful of sets by RCA cameras.

Here, in the Bay Area, the Norcal BMA was founded in San Francisco as the U.S. drifted toward the end of the Depression and Europe moved ever closer to war. The organization was an informal group led by marketing trailblazers—the mavericks of their time. When the chapter was formally organized in 1947, George McNutt became first chapter president. We'll talk more about George in future articles.

During the 40's, the term *marketing mix* appeared in an article by Neil Borden, entitled "The Concept of the Marketing Mix." Borden learned the term from an associate, James Culliton, who described the role of the marketing manager as a "mixer of ingredients"—one who sometimes follows another's recipe, sometimes adapts a recipe with immediately available ingredients, or sometimes creates his own.

And it was in the 40's that the mass market ruled. Sponsored shows such as "Bob Hope's Texaco Star Theater" dominated TV and radio with ads aimed at wide audiences. A historical sidelight: in 1941, the [first recorded television ad for Bulova watches](#) ran.

In 1946, at the end of World War II, the Baby Boom officially started. Just as Gen X was the first generation to grow up with computers, 77 million boomers were the first generation to grow up with TV. Enabled by "the tube," the science of modern demographics developed around this explosion of births and rapidly changing migration patterns.



Bill Bernbach

"Let us prove to the world," wrote Bill Bernbach, in his 1949 manifesto for the creative revolution, "that good taste, good art, good writing can be good selling." One of the three founders of the international advertising agency Doyle Dane Bernbach, Bill Bernbach directed

many of the firm's breakthrough campaigns and had a lasting impact on the creative team structures now commonly found in ad agencies.

Stay tuned each Thursday for another article. And on October 29, [join us for an evening of celebration](#) as we honor the achievements of some of the Bay Area's most prominent forces in B2B marketing.

Part 2

The dawn of computing—the 1950's

The 1950s saw the systematization of telemarketing, and while this marketing tool still persists, it is much despised. On the other hand, a lot of great things happened in the 50's.

Science took a big leap forward with the invention of the semiconductor—which would lead to the development of the integrated circuit and make computing possible. Fairchild Camera and Instrument led the field. Today, we know the company as Fairchild Semiconductor, a global leader headquartered in San Jose.

During this period, marketing leaped ahead as marketers began using demographics and socioeconomic data to segment consumers into smaller groups of prospects who, based on behavior and economic status, might buy their products. The distinction between B2B and B2C emerged as well. In fact, one of the first B2B ads ran in 1958—an iconic McGraw Hill piece that became known as “The Man in the Chair.”



*"I don't know who you are.
I don't know your company.
I don't know your company's product.
I don't know what your company stands for.
I don't know your company's customers.
I don't know your company's record.
I don't know your company's reputation.
Now—what was it you wanted to sell me?"*



MORAL: Sales start **before** your salesman calls—with business publication advertising.

McGRAW-HILL MAGAZINES
BUSINESS • PROFESSIONAL • TECHNICAL

(Photo Credit: BMA National 90th Anniversary Book)

Wow. Today—where marketing automation has captured so much attention—it’s interesting note that the idea of influencing a prospect *before* a sales call isn’t quite as new as we might have thought.

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Innovation acceleration—the 1960’s (a sneak preview)

Consider this. More achievements in marketing occurred during the 60’s than any other decade—until the 1980’s.

During the 60’s, marketing education centered on the 4 “Ps”—price, product, promotion, and place. This concept was first introduced in 1960 by E. Jerome McCarthy who proposed the taxonomy that has since been used by marketers worldwide.

Circling back to the BMA, as the National Association of Advertising Agencies—or NIAA as it was known then—approached its 40th year (in 1959, actually), it sought to engage and inspire industrial marketers to continue advancing the prestige and influence of their profession. The organization’s first step was to adopt a new name, the Association of Industrial Advertisers (AIA).

Part 3

The 1960’s: Women flex their marketing muscles

Where the 1950’s explored demographics, the 1960s saw marketers turn to “psychographics”—the study of how personality, values, attitudes, interests, and lifestyles come together to influence buying behavior. In doing so, agencies unleashed their creativity to produce more engaging, memorable, and influential ads. The Silicon Valley’s very own Stanford Research Institute led the way with its *Values and Lifestyles* program.

And in this environment of expansion and experimentation, women began to be considered for other than secretarial jobs. In the hit TV series “Mad Men,” copywriter Peggy Olson symbolizes the rise of feminism in marketing. Her character's dedication to excellence in writing is still relevant to marketing almost 60 years later, given today's emphasis on content marketing.



We mentioned George McNutt, the first BMA chapter president in our [first installment](#). In a profile written about George in BMA's *Copy* publication many years ago he says, “Around 1943, I hired a woman copywriter, a rarity then in industrial advertising, who quickly proved she could get on-the-job case histories and write industrial copy as well as men. From 1947 through 1967 my wife was often the only woman attending our chapter meetings.”

If opening the door to greater opportunities for women wasn't enough—and we haven't even talked about great music, liberal idealism, and Flower Power—the 1960's also saw the introduction of the modern computer into business processes.

And it wasn't long before marketers and manufacturers asked themselves the really big question: “Why would anyone want a computer at home?”

Believe it or not, the answer was: “to store recipes.” In the 1969 Neiman-Marcus Christmas catalog was featured the “must have” Kitchen Computer. For a mere \$10,600, you got the computer, a cookbook, a super-nifty apron, and a two-week programming course.



If she can only cook as well as Honeywell can compute.
Her shuffles are supreme, her meal planning a challenge? She's what the Honeywell people had in mind when they devised our Kitchen Computer. She'll learn to program it with a cross-reference to her favorite recipes by file #1 a new Helen Gordon. Then by simply pushing a few buttons obtain a complete menu organized around the entrée. And if she gets all muddled by her lunch tab, she can program it to balance the family checkbook. **\$10,600.00** complete with two week programming course
\$49.95 with **Carolee** state the original Helen Gordon cook-book with over 1,000 recipes \$ 5.00 (C.75) **\$42** Hair Potluck. 375 of our famed Zodiac restaurant's best kept secret recipe \$ 3.95 (C.75) **\$49** Her Island apron, one-side cuts alone by Garden House in multi-panels provincial cotton 25.00 (C.95) Trophy Floor

Not surprisingly, no kitchen computers were sold.

The 1970's: The dawn of e-commerce

Though it may seem that e-commerce is relatively new, it was actually invented in the 70's. The science of marketing had steadily become more serious, and with the founding of customer targeting pioneer Claritas in 1971, companies

could segment consumers into ever-smaller groups based on psychographics and census data. Long before privacy issues were top of mind, information from Claritas helped large retailers make a wide range of marketing decisions, such as where to locate stores.

What we know today as the BMA continued to evolve, transforming itself into the Business/Professional Advertising Association, or BPAA, in 1974. This moniker reflected its repositioning as more than just an industrial advertising entity.

In 1978, the baby boomers began to have children. This 71-million-strong "echo boom" generation experienced musical legends Aerosmith, Michael Jackson, Van Halen, Phil Collins, Alice Cooper, and so many other greats, ultimately driving the Britney Spears-dominated youth market of the early 21st century.

Join us next week as we explore 1980-2000. In the meantime, why not [register now](#) to join us the evening of October 29? We'll be honoring the achievements of some of the Bay Area's most prominent forces in B2B marketing and also introduce the McNutt Scholarship Fund for aspiring marketing students.

Part 4

1980-2000: Marketing's Big Bang

The 1980's were jam packed with marketing advances and excitement. Let's take a look at the remarkable acceleration of innovation during that decade:

- Bar code scanners were introduced, and retailers began to collect consumers' behavioral data on the spot
- Database marketing emerged as the precursor to CRM—and so did relationship marketing
- Nike's "Just Do It" Campaign kicked off
- Spam—ugh—was born

In 1982, Digital Equipment Corporation (DEC) became the first tech company to run a TV ad. At the time it was a really big deal. Today, nobody even remembers it.

In 1984, only two years later, Apple computer aired its legendary "[Sledge Hammer](#)" Ad. With its play on George Orwell's "1984," it's an important part of our marketing and cultural history and really fun to watch. And guess what? Regis McKenna, the creator of that ad is one of the



headliners at our gala 75th anniversary celebration. I'm sure you'll find his insights fascinating!

In 1988, the B/PAA (as it was called then) recognized the many contributions made by the chapter's first president, George McNutt, by naming him Northern California's first recipient of the prestigious G.D. Crain award for lifetime achievement. By that time George was in his eighties, but he continued to attend chapter meetings and remained intensely interested in the profession he had always loved. His "Notes from McNutt" column in *Copy* continued his long-established practice of "giving back" to the profession.

Interestingly, guerrilla marketing, which features low-cost, unconventional promotional strategies, was introduced the same year. And by the mid-80's, desktop publishing appeared, democratizing the media—although, at the time, we didn't know where that would lead us.

Wow. If you don't remember these events, it's because you're part of Gen Y, the 18-30-year-old cohort also known as the Millennials. But you'll definitely be able to identify with everything from here on.

On August 6, 1991, just 23 years ago, the World Wide Web became publicly available. Its creator, the now internationally known Tim Berners-Lee, posted a short summary of the project on the alt.hypertext newsgroup and gave birth to a new form of communication and information sharing that would fundamentally change the world as we knew it.

The tide of change continued to surge as the B/PAA changed its name in 1993 to become the BMA we know today. The Business Marketing Association was based on the realization that some key marketing sectors had been prevented from participating in B2B marketing communications. As the BMA, the organization now addressed a wider cross-section of professionals in many areas of integrated marketing and kept pace with the excitement and pervasiveness of Silicon Valley innovation.

In 1995, companies began using their websites to mine consumer transactional data. Historical sidelight: Interestingly, as of January 1996, only 100,000 websites existed. (And that figure represents tremendous growth from the 130 sites in existence in mid-1993.) Even given that relatively paltry number, Google emerged in 1998, providing a way to search what would become a staggeringly large volume of online information. Google, of course, wasn't the first search engine, but it's arguably the one we know the best and the only one whose name has become a verb.

By the end of the 1990's, marketers hit pay dirt. Web analysis tools like HitBox Professional used cookies to track consumer activity on the web—a precursor to today's annoying pop-up ads and spyware. Marketers used words like “synergy” to describe more sophisticated cross-promotions. And from 1995 through 2001, the dot-com bubble temporarily redefined the future of marketing.

George McNutt’s longest lasting contribution to the B/PAA was also his most forward looking: the George C. McNutt Scholarship Fund. In his later years, George donated money to the Northern California chapter to be used to encourage students of B2B marketing. Upon his death in 1992, he bequeathed \$5,000 as the initial endowment of a self-sustaining fund to provide scholarships for marketing students at local colleges.

The McNutt fund is an important legacy, and the 2013-14BMA Board seeks to honor his original purpose by increasing the pool of funds available to support marketing students.

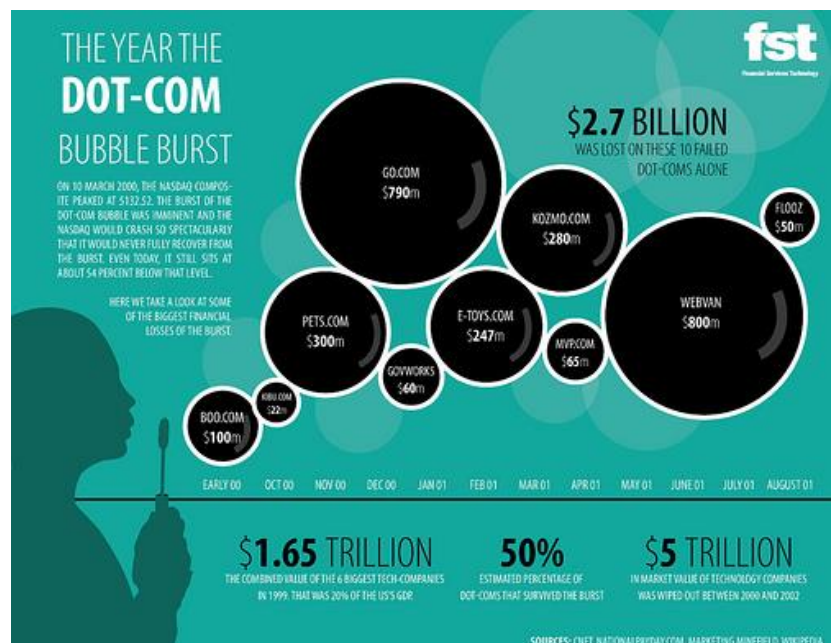
There’s a direct connection between George’s efforts on behalf of our chapter and each Norcal BMA member. Any who have ever come away from a meeting with an interesting idea, a new business contact, or an enhanced sense of professionalism and collegiality, can thank George C. McNutt.

Join us next week as we explore the decade of the “dot.” In the meantime, why not [register now](#) to join us the evening of Tuesday, October 29, when we honor the achievements of some of the Bay Area’s most prominent forces in B2B marketing? You’ll have an unparalleled opportunity to chat with Regis McKenna, Charlene Li, Karen Kang, and four distinguished past chapter presidents who helped build the Norcal BMA into the professional force it is today.

Part 5

BMA’s “Inception to Inspiration” Series #5: The New Millennium

The new millennium was marked by the emergence of a group of Internet-based companies collectively known as the “dot.coms.”



Companies saw their stock prices shoot up if they simply added an "e-" prefix to their names or a ".com" to the end. A bubble emerged, fueled by rapidly increasing stock prices, market belief in future profitability, individual speculation in stocks, and widely available venture capital.

During the bubble, many investors proved themselves willing to overlook traditional performance metrics such as P/E ratio in favor of confidence in technological advances. Unfortunately, the dot.com boom was about as stable as a house of cards. The bubble began to pop in 2000, and the party was over pretty much by the end of 2001. Some companies, like Pets.com, failed. Others gave up much of their market capitalization. Cisco stock, for example, declined 86 percent, though the company remained stable and profitable. Some companies like Amazon, recovered to surpass their dot.com peaks. This online merchandising giant's stock declined from \$107 to a mere \$7 but a decade later exceeded \$200 per share.

The years from 1998 to 2005 were turbulent indeed—and against that backdrop, the Gen Xers starting having families. Their kids will be the first generation that hasn't known a world without the Web or wireless technology.

For Silicon Valley marketers however, the BMA was there to help them prepare for better times. In 2002, Alexia Vanides—Norcal BMA's first female Chapter President in 1983-84—introduced a new course at the U.C. Berkeley Extension, "Product Marketing for High Technology." Ever the trailblazer and forward thinker, Alexia's course was designed to help Entrepreneurs Bridge the gap between a good idea and a sustainable business enterprise. Topics included strategic vision, product platform development, timing, positioning, segmentation, and strategic competitive advantage. As the final exam, students developed a product marketing plan for a start-up company. (Sadly, Alexia passed away in 2011 but the Norcal BMA will always remember [her](#) and George McNutt as two of their generations' great marketing pioneers.)

In 2003, MySpace was launched in California. Meanwhile, across the country work was underway on Facebook, a social networking site targeted at Harvard students and viewed as the college version of Friendster. For a time, MySpace was the most visited social networking site in the world and in June 2006 surpassed even Google as the most-visited website in the United States. But in April 2008, Facebook overtook MySpace in the number of unique worldwide visitors and in May 2009 in the number of unique U.S. visitors. Game over, at least for now.

By 2005 marketers were mining individual demographics to create one-to-one marketing campaigns for cell phones and PDAs—and the advent of YouTube

added mobile video capabilities. In 2006, Twitter was launched as a social networking and microblogging site, enabling users to send and receive 140-character “tweets.” Some of these micro-missives would get people fired. Others would inform us of political repression and unrest in countries around the globe. Regardless of message, Twitter would forever change how the average person views technology.

There’s just one more episode in our technology and marketing saga until the big event! Next week we’ll end our story with a look at 2010 and beyond. Our Norcal BMA 75th anniversary event is sure to be history in the making, so we invite you to [register now](#).

Part 6

The moving target that is “the new normal.”

By 2010, Facebook boasted more than 400 million users. Apple had released the iPad with its advanced multimedia and Internet capabilities, and the Democratic National Committee advertised for a social networking manager to oversee President Obama's accounts on Facebook, Twitter, and MySpace.

By 2011, the social media had become an integral part of our daily lives. Facebook grew to 550+ million users. Twitter pushed out 65 million tweets a day, YouTube logged a staggering 2 billion video views daily, and 90 million professionals had signed up with LinkedIn. Public sharing of so much personal information via social media sites raised privacy concerns and, as we mentioned in the previous post, landed more than a few prominent people in very hot water.

Today, social networking has truly come of age as increasing of people numbers use smartphones and tablets to access their favorite sites. New sites, of course, continue to emerge and catch on. Currently, the top 10 social networks are [Facebook](#), [Blogger](#), [Twitter](#), [WordPress](#), [LinkedIn](#), [Pinterest](#), [Google+](#), [Tumblr](#), [MySpace](#), and [Wikia](#).

More than half of adults 25-34 use social media at the office. Almost a third of young adults (18-24) use social media in the bathroom. Whoa! And all of them use social networks to stay connected, informed, and amused.

In 2012—for some a sad day—the Internet surpassed newspapers as the primary news outlet for Americans, according to the Pew Internet and American Life Project. The Internet was the third most-popular news platform, with many users looking to social media and personalized feeds for news. National and

local TV stations remained strong, but the Internet beat out national and local newspapers.

Conclusion

It's a brave new world of marketing and communications. Everyone's a publisher; everyone's a journalist or thinks they are. Information no longer travels top down or inside out and, where once we had the nightly news, now we have a 24-hour news cycle. The 4 P's of marketing—price, product, promotion, and place—we thought we knew so well have collided, and marketing, advertising, and public relations are transforming themselves into something entirely new.

Is there a “new normal?” Probably not, because innovation cycles are so fast! The big question? Where will we land?

[Allaboutmarketresearch](#) predicts that by 2015 one-to-one marketing will be the name of the game. Demographics and individual consumer behavior patterns will allow marketers to create individualized marketing messages—even on TV! Predictive analysis will support this effort as big data reveals more and more about our buying behavior. Is this a good thing?

It's never been more important to slow down and really listen to each other, learn from each other, and create together. That is and always will be the core of the Norcal BMA's values. Collaboration and mutual learning enables us to achieve balance and ensure that we don't ever lose the “art” of marketing by putting too much emphasis on “the science.”

We hope to see you next week at our 75th Anniversary event! If you haven't already registered, we urge you to [register right now!](#)

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