

Matthew: Hello. Welcome to Marketing Smarts, a podcast brought to you by MarketingProfs. I'm your host Matthew Grant, Managing Editor here at MarketingProfs and I thank you for listening.

"I'm a chicken hawk hunting for a chicken, get paranoid when you hear my Glock clicking." When the MC Sendog of Cypress Hill dropped that rhyme on *Cock the Hammer* from 1993 Americans had already bought over 250,000 Glocks, an innovative semiautomatic pistol manufactured in Austria and invented by Gaston Glock in the early 80s.

From the success of this unconventional weapon constructed primarily of conjection molded plastic using computer driven manufacturing techniques and designed by a man with no prior gun making experience, marketers can actually draw a number of critical lessons, including how to leverage influencers, how to create buzz through product placement and a deft handling of public relations, and most importantly how to design a product with a specific clientele in mind and then use that client base itself as a unique selling point.

Paul Barrett, an Assistant Managing Editor and senior Feature Writer at *Bloomberg Business Week* is the author of *Glock: The Rise of America's Gun* in which he describes the improbable origins and surprising ascension of this often controversial sidearm. We invited him to Marketing Smarts to talk about the Glock, how it upended an industry, and what marketers can learn from this tale of the gun.

Before we get started I wanted to remind everyone that if you like what you hear on Marketing Smarts and even if you don't you can always leave us a review in iTunes or a comment for us on MarketingProfs.com. You can also reach out to me directly via email, my email address is mattg@marketingprofs.com.

Without much further ado, let's get started. Paul, welcome to Marketing Smarts.

Paul: Thanks for having me. I'm glad to be here.

Matthew: Before we start talking about your book I was wondering if you could tell our listeners a little bit about what you do at *Bloomberg Business Week*.

Paul: Sure. I am in function of a senior feature writer here, my title is Assistant Managing Editor. *Business Week* was acquired by Bloomberg in late 2009 and was integrated into the larger Bloomberg operation in 2010, and now sits pretty comfortably as kind of a little brother or little sister to the much larger Bloomberg News operation, which in turn is part of the Bloomberg Terminal, as it's known for short.

Matthew: And when I met representatives of *Bloomberg Business Week*, I want to say a year and a half ago or so, the interesting thing to me was how they were talking about how

Bloomberg and Bloomberg News they essentially had more bureaus around the world than I think even *Business Week* at the time.

Paul: Oh, absolutely. There's no comparison in terms of the size and scale of these operations. Bloomberg News has something like 2,200 journalists. I don't know precisely what the headcount is at the magazine, but I'd be surprised if dedicated staff of the magazine exceeded 100 people.

Matthew: It was fascinating to me. At MarketingProfs we talk a lot about content marketing and the power of content and things like that, and it really seemed to signal to me a major shift in the balance of power journalistically where it showed that kind of dedicated premium content service, like Bloomberg, which also then had this technological platform that it was pushing things through, was emerging as a kind of better more viable model for actually producing content than the old fashioned "let's have a newspaper and sell advertising."

Paul: I'm not an expert on the media business, I'm really just someone in the trenches. But, I can tell you what I see from here. And that is there is certainly no debate that the traditional newspaper organization is in many cases deeply troubled, including some of our most prominent and highest quality newspapers.

It's well known that *The New York Times*, *The Washington Post*, and others are struggling on the financial side. Major metropolitan dailies that were once very strong and built on economic foundations of local advertising, particularly classified advertising, are struggling terribly. Just as a subjective observer I would say the quality of many of those major metropolitan newspapers has declined sharply in the last decade, which is a very sad development.

Meanwhile, on the more positive side and as you were indicating, there are all kinds of new developments. Some of them are promising, some of them we'll have to wait and see how they develop. One of those new developments is the relative strength of operations like Bloomberg, but I would emphasize that I think the Bloomberg operations are pretty much unique.

Matthew: Yes.

Paul: Bloomberg has this economic base of 300,000+ customers who pay very high rates for the privilege of having the Bloomberg Terminal on their desk. I'm unaware of another media oriented company that has that arrangement.

Matthew: I don't see it from the publishing side as a replicable model.

Paul: No. However, at the same time I think there's very much a significant point to what you're saying because while some of the traditional content providers that have traditional overhead, very large staffs, printing on paper, having to have remote printing sites,

and/or transportation costs, are struggling, I observe just anecdotally that organizations, for example like Thompson and Reuters, are actually expanding. Thompson and Reuters has been a huge journalist hiring spree lately.

I think the reason that Thompson and Reuters is trying to exploit this situation and staff up, grabbing people from publications like the old *Business Week*, like *The Wall Street Journal*, is because they have a cost advantage. They don't print on paper, they don't have to transport things around, and they can publish, so to speak, instantly.

And at least for the moment, you're correct that a certain amount of advantage has shifted toward organizations that don't have the traditional cost structure.

Matthew: Right. It's interesting you brought up Thompson and Reuters. I'm trying to think of what would be the same type of analogy to the Bloomberg acquisition of *Business Week*. Maybe something more like Google buying Thompson and Reuters or something like that.

Right now the Googles and the Apples of the world are about access to content and streamlining access to content and content discovery, but they don't actually have their own proprietary – there's no Apple Channel, even though they could do that. They've gone more in the Amazon direction of "We'll be a marketplace for content and just take our cut off the marketplace."

Paul: I think it would be fascinating to see whether a large super successful operation like a Google or an Apple could integrate some version of a more traditional publication the way Bloomberg has taken this step, which I think over a couple of years now has proved very much to the satisfaction that made the decision. I think the magazine is thriving, I think it's doing well. I don't have access to the financial numbers, as I said I'm just a guy in the trenches of journalism.

So my impression is just from flipping through the magazine that the ads are coming back, they are sort of high end prestigious ads for the most part, and it looks to me from a subjective point of view that the strategy is definitely working. I know it's working from a journalistic point of view.

Why shouldn't that be something that a company like Google experimented with? A Google could acquire a magazine, for example like *Business Week*, for what to them would be pocket change.

Matthew: Exactly.

Paul: Rather than going out for a fancy lunch they could pick up a magazine. Essentially that's what Mike Bloomberg did. He got *Business Week* for a song, and hats off to him for taking advantage of the opportunity.

Matthew: And being able to wed it to a business model that was already about producing value, I mean super valuable to people. Like the Bloomberg Terminal, I was surprised how much it cost. I had no idea, being outside of that world. And then I was especially astonished when I was visiting a friend of mine in California and one of his friends actually had one in his home. I guess that was the level those people were playing at. I was like, "Do you know how much that cost?"

Paul: Right. And Bloomberg is showing no signs of stopping. I think a vote of confidence for this is that Bloomberg recently bought a very old line company called BNA, Bureau of National Affairs, which is sort of a more traditional Washington based mid-twentieth century version of Bloomberg that produced all kinds of very dense, fact heavy newsletters. And I assume the strategy there is that they're going to integrate all that stuff into the Terminal, into Bloomberg News.

I think all of that is promising, that's showing that there are potential alternatives if people who have successful digitally oriented businesses creatively about how to invest the profits they're making into organizations that are good at gathering and analyzing content, as we now call it now. In the old days dinosaurs like me used to call it news.

Matthew: In the BNA example you just cited and with Bloomberg this is highly valuable, it shows that there's still, and I think there always will be, plenty of room for valuable news, news that you can do something with, news that is actionable and people will pay for it. It's still information that is critical.

Thanks, first of all, for talking a little bit about what Bloomberg does and how *Bloomberg Business Week* functions now post-acquisition, of course several years into it at this point. I would like to turn to your book, which I want to say *Glock: The Rise of America's Gun* is not out yet, am I right?

Paul: It's out as of January 10th and I'm happy to say it's doing fairly well. It's on the extended *New York Times* Bestseller List. I'm very happy that it's getting the attention that it's getting.

Matthew: I actually very much enjoyed reading it. It's nice to read something written by a journalist. It was funny too, early on I did feel reading it that there was this cast of characters, it was almost Tolstoyian on some level to me and I did have keep flipping back and forth just to keep the characters straight.

I was wondering if you would first tell the Marketing Smarts audience here what *Glock* is about, and if even if they don't know what a Glock is.

Paul: Well, let's start with what a Glock is. It's a semiautomatic pistol which is similar to but different from a revolver. A revolver is a handgun that has a cylinder that spins as the user pulls the trigger. A pistol is a handgun that has an ammunition magazine, a spring loaded box that snaps into the grip.

The basic technology for these two types of handguns has remained the same for a surprisingly long period of time, going back to the turn of the 20th Century. But, in the 1980s an Austrian engineer named Gaston Glock came up with a design for a semiautomatic pistol that while it used some of the traditional technology it was in a number of ways quite different.

Some of the key differences were it was made from industrial strength plastic or polymer rather than the traditional materials of metal and wood. It has a much larger ammunition capacity, 17 rounds as compared to five, six, seven, or eight rounds in more traditional handguns. Because of its materials it was much lighter, more durable, less susceptible to corrosion, and for interesting reasons it was easier to shoot and easier to be accurate with. That's largely attributable to the so called trigger pull, the amount of pressure it takes to actually fire the gun. The Glock has a very steady, very light trigger pull compared to other handguns.

For all of these reasons Gaston Glock, although he had no experience designing firearms prior to the project at designing this first one, he obtained a contract to make pistols for the Austrian Army. And then he turned to the richest handgun market in the world, that of the United States. For surprising reasons that I can explain if you'd like, he was able to very quickly break into the U.S. market and basically eat the lunch of very well known American brands like Smith and Wesson.

Matthew: I think that would be the crux of what I'd like to talk about today, because there's a fascinating story here for marketers. First of all, here's this Austrian manufacturer who has no experience, as you described, actually making guns, coming up with this very innovative way of doing it, and then basically displacing these famous household names, "This property protected by Smith and Wesson," kind of thing.

Paul: Right. Well, I think the beginning of the marketing story does start with someone who had precisely the right ideas about design, which is he knew what he did not know and he was determined to come up with an innovative product that would suit his customer. He did not tell organizations like the Austrian Army or American Police Department, "Here's what you need." He at first said, "Tell me what you need."

He started with a blank piece of paper, gathered Austrian and German handgun experts and said, "If you could start from scratch, don't worry about the channels of marketing, what would be an ideal modern pistol?" And they dictated to him the attributes I mentioned before, the large ammunition capacity, the modern plastic material, the lighter weight, the durability.

Only at that point after serving as kind of a general contractor in pulling these attributes together and figuring out a way to integrate them all into the product, only then did Gaston Glock actually build a factory. He had the tremendous advantage of being outside the industry to start.

He didn't have to worry about how to make a new product with existing machine tools or an existing cost structure. He did it the other way around, which is a very unusual opportunity.

Matthew: Right. But, something that gets in the way if you actually have to retool all your machines and create a new type of factory, suddenly it's this huge capital outlay just to produce this new thing.

Paul: Exactly. So he produced a small but super modern computer driven factory that had relatively few employees but highly efficient methods. And his costs were quite low and that was a huge early advantage.

Now, he also had some advantages that you just can't plan for. He had the tremendous advantage of good luck and perfect timing. He came to the United States in the mid and late 1980s with his new product. It just so happened that at precisely that moment police departments in the United States had come to the conclusion that they were outgunned, as they put it, on the streets.

Violent crime in the United States in the late 1980s was rising sharply, a lot of this crime was fueled by the trafficking of crack cocaine and a lot of the gangs that were engaged in that, particularly in big cities, had gotten kind of hyper violent. They were shooting at each other at the drop of a hat, warring over turf and so forth. The police felt overwhelmed.

Here came one saying, "You've been using the same basic sidearm," the Smith and Wesson 38 caliber revolver, "literally for 75 years. That gun is the past. I have the pistol of the future." He found an incredibly receptive audience. So a product which otherwise might not have been given much of a chance because it looked different, it functioned in a somewhat different fashion, and even because it just had a foreign name, was given a chance because of this crucial coincidence of timing.

Matthew: I also think you describe very succinctly the two pieces of this strategy of introducing this gun to the market. One is something nowadays people call influencer

marketing that I think we associate with blogs and getting bloggers on your side. You talk a lot about how the Glock people and especially their lead sales manager or marketing guy in the United States, a guy on the ground, that he was doing this outreach to gun magazines and people catering to gun aficionados was a key part of this early – I don't know if it was a fully developed strategy, but it was what they did.

Paul: The strategy really was to break into the law enforcement market at any cost. In other words, to turn particularly big city police departments into customers even if they were not initially profitable customers. They were really do pretty much any kind of deal to get cities to adopt the gun, understanding that in this country that would give them credibility with a much more lucrative, in terms of profit margin, and larger civilian marketplace. And that strategy worked beautifully.

There was a certain amount of reaching out to influencers, as you said. Although this was pre-internet, so it was on paper and it was much slower. There was also a lot of just very direct old fashioned wining, dining, and schmoozing.

The sales genius you referred to, Carl Walter, who was at that point an American but of Austrian decent so he was a perfect go between. He spoke German, he understood Austria, he understood Mr. Glock, he also had been selling specialized firearms to police departments in this country on behalf of European gun makers for a number of years, so he understood the American cops. Well, he was a genius as setting up and merging training with marketing, bringing people to the company's facility outside of Atlanta for multiday training courses.

And these training courses were not all work, they was some fun blended into it. He became famous for taking police procurement officers and civilian gun dealers to a place called The Gold Club, which was the most notorious or prominent, depending on how you look at it, strip club of that era in Atlanta.

He turned this into an institution so that basically the police procurement people were chanting at the bit to get down to Atlanta to enjoy the hospitality of Glock. And then when it came time to choose "Do we stay with Smith and Wesson, which is doing nothing to win our affection, or do we go with Glock where they're really showing us a good time?" Plus, the product works, Glock won those competitions over and over again.

Matthew: I thought it was interesting too, this idea of offering training, first of all, that would just be part of the package since it's a new thing and the gun works slightly differently, but then opening up the training sessions themselves to potential clients. And also you point out how they also went after these sort of high profile training gun instructors.

Paul: Absolutely.

Matthew: Though it was funny, you did mention that there did at times seem to be a little bit of – and this is always a big part of this reaching out to influencers to try to get them to help you sell your product – it was a little sketchy in terms of interests and how much disclosure was going on.

Paul: There were definitely competing interests. This was a sensitive topic, as you're indicating, because the experts in question all of course insist that any recommendations they made were strictly on the merits. I believe that they believed that, but if you're employed both as a consultant to the manufacturer and as a trainer to the potential customer, I think anyone with common sense can see that there is at a minimum a conflict of interest built into that. Whether you then disclose the potential conflict of interest, whether having disclosed it you satisfy everyone on all sides that you are operating as an honest broker, that's a case by case issue.

But, this idea of getting the credibility of established figures is an age old marketing technique. In fact, you see it all the way back in the 19th Century with the man who I see as Gaston Glock's forbearer, Samuel Colt the inventor of the Colt Revolver and himself a legendary marketer, one of the first successful national marketers in any industry in the United States.

Someone who used brochures and brochure art and celebrity endorsements well before any of those practices were common. Samuel Colt in his day got the endorsement, for example, of the Texas Rangers who adopted his gun and then he trumpeted that fact in brochures and pamphlets, and that gave him credibility.

That's a very tight analogy, I think, to the technique that Glock used almost 150 years later.

Matthew: Yes, totally. And when you mentioned the celebrity endorsement, you also focus some attention on this product placement and how key that was when the Glock first starts appearing in movies. And especially this idea that I guess with some arms manufacturers when they were trying to pursue a product placement strategy they sometimes would try to be very directive, like "I only want my guns in the hands of the good guys." But, that wasn't the case with Glock.

Paul: That's right. Product placement, while it has been vital to the gun industry, does not work in a standard way with firearms. The main difference is that gun manufacturers do not have to pay anybody to cast their products in movies or television shows, and that's simply because for better or for worse there is so much demand for firearms in our entertainment that it's really the producers of the entertainment that would go to the gun companies and say, "Hey, we need 10 or 12," or, "we're doing a cop movie and we need 100 disabled versions of your gun. Can you get them here by Tuesday?" So the gun manufacturers kind of have the upper hand.

But, in the late 80s and early 90s Glock played this game much more deftly than many of its rivals. Rather than being kind of high-handed and saying, “We’ll put you in line with everybody else,” or, “We’ll do this, but tell us first which kind of characters will be holding our gun, what will they be saying, what will they be doing,” Glock while it preferred to be in the hands of cops was not so fastidious about it.

They made sure that the guns were there the next day by overnight delivery, they made sure to give the prop masters who were the key characters in this transaction lots of personal love and attention. And they were repaid by a Hollywood sort of bureaucracy that became very friendly toward Glock, very inclined toward casting the Glock as frequently as possible.

In my book I interviewed a couple of these guys and they’re pretty fascinating characters in and of themselves, these super specialists in weaponry who have relationships with all kinds of directors and movie stars. They’re frequently the people who train the movie stars to look even vaguely competent with the guns if they’re supposed to be international spies or cops or whatever. So they’re in the position to really spread a brand in a way that very few other individuals are. So these guys were won over to Glock very early on.

You ended up in 1990, for example, only a few years after the gun was here in reality with it being cast in Die Hard 2, one of the biggest movie franchises of the era, and not only is the gun being used by actors but Bruce Willis the star of the flick is delivering an extended speech about the Glock.

Matthew: Right. I thought that was interesting about the speech because, as you point out, almost everything in it that he says about the Glock is wrong.

Paul: Yes. They manage to bungle it up completely. He called it a German gun, he said it was made of porcelain, which is silly because there are no guns made out of porcelain. He said that it could defy airport security measures, which wasn’t true, although that was a common misunderstanding at the time. And again, you’d think maybe that would be problematic to the brand to be mis-described that way, but no, quite the contrary.

Everything always broke the right way for Glock. The fact that Hollywood had both paid attention to the gun, but then managed to bungle the description of the gun, really tickled particularly civilian gun owners who loved to find fault in how firearms are portrayed in entertainment. So it became just a favorite topic of conversation to kind of make fun of Bruce Willis and silly Hollywood people who don’t know what they’re talking about on the one hand, but on the other hand running out and buying a Glock yourself.

So, as with many things over the years, Gaston Glock tended to get the benefit no matter events unfolded.

Matthew: I know. As you said, even this misinformation became buzz worthy, as people would say nowadays.

Paul: Exactly.

Matthew: It just generated more PR. Then the other piece of PR certainly was, let's face it, very negative public PR about some very high profile mass murders committed with Glocks, but even those the company seemed to be able to play to their advantage.

Paul: Yes, that's very true. There's actually sort of two levels of this. Let's come to the mass shootings in one moment. First there was the fact the Glock because it was different, because it was more potent, immediately provoked opposition from gun control advocates as early as the late 1980s. Gun control advocates, for example, glommed onto this notion which turned out to be entirely phony that the Glock because of its plastic materials could defy airport security.

While you think, "That must be difficult for a new foreign product to encounter activist opposition," not at all. At least in the gun industry, if you tell American gun owners there's a model you can't have that's the model they want to run out and buy two of.

Matthew: Exactly.

Paul: We have a very divisive set of politics that surround gun ownership. Gun ownership obviously is freighted with a lot of cultural symbolism. And that divide almost always plays to the favor of those who manufacturer and market guns, because one of the ways that people express their support and enthusiasm for gun rights is simply to buy another. That helped Glock a great deal, particularly when it turned out that the allegations about the Glock being especially diabolical just turned out to be fake.

So you ended up on the one hand with Congressional hearings about whether plastic pistols were going to become the terrorist's favorite and that got a lot of attention. And then it turned out that the conclusion was "no they're not." So the Glock was vindicated on the merits and meanwhile had gotten all this free publicity.

Then we come to the fact that you noted that from relatively early on the Glock has turned up in these horrendous mass shootings. That's because the very attributes that make the Glock potent in the hands of law abiding person or in the hands of a law enforcement official make it potent in the hands of a psychopath as well.

In 1991 Glock was used in a mass shooting in Kaleen, Texas that to that date was the worst mass shooting ever in U.S. history. And since then there have been other such incidents; the

shooting at Virginia Tech a few years ago is an example, and the shooting about a year ago in Tucson, Arizona that wounded Representative Gabby Giffords is another example of a Glock.

Again, you might at first glance think, “This is terrible, this is going to be a black mark for the company.” But, what happens after these events for better or for worse is people run out and buy more Glocks. For one thing, just because a gun has been misused in one context doesn’t mean that people don’t say, “That thing is really powerful, I want one.”

And then for another thing, there is a common reflex among gun owners and gun marketers that when guns get negative attention, more gun control will necessarily follow and therefore buy them now while you can. That is not necessarily true.

There has been no additional gun control passed on a national level, for example, since the Tucson shooting, there was no gun crack down in the wake of the Virginia Tech shooting. But, that didn’t mean that there wasn’t the surge in buying. So in the gun business often the results of public events, even if they’re terrible events, have these counterintuitive effects.

Matthew: Right. Also, as you mentioned, I think that Gabby Giffords herself was a Glock owner as it turned out.

Paul: That is correct. And that’s just almost a poetically perfect illustration of the pervasiveness of this brand in this country that our worst villains, in this case the shooter who killed six people in the supermarket shopping mall and wounded 13 others including Giffords, he chooses a Glock, and the much admired Gabby Giffords, so brave, such an admirable person on so many levels and as it happens she owns a Glock too.

That shows you how pervasive gun ownership is in this country, how people from extremely different backgrounds own guns. You can’t assume that all gun owners are either ex-military or are backwoods hunters or are thugs. They’re often very ordinary modern people like Representative Gabby Giffords, who is a democrat by the way.

Matthew: Exactly. And that was also something that was very fascinating just about the Glock saga. First of all, this weird **janiced face of it** in a sense. The market going through law enforcement making it the law enforcement go-to weapon and also U.S. military go-to weapon, and at the same time all this fear that it’s going to be a terrorist weapon of choice, it’s going to be the criminal’s weapon of choice.

Then as you point out this is actually not the case, even though as popular as the Glock was in gangster rap, as you point out. It’s funny, I had to pull out my copy of Cypress Hill Black Sunday because he does a number of references to Glock on that album, as there are all over rap from that era. And yet even, as you point out, the law enforcement statistics were not even bearing

out that the Glock was the gun of choice, they weren't even being recovered from crime scenes or implicated except in these horrendous kinds of extreme crimes.

Paul: Yes. It turns up in crimes, but it doesn't turn up disproportionately in crimes. In part because it's not a cheap throw away gun. The most common handguns you see used in crime are either very old used guns or cheaper guns. And that makes sense because people don't intend to keep possession of them for a long period of time. So it's not that Glock is somehow innocent or divorced from crime, but on the other hand the notion that every bad guy on the street has a Glock is a terrific exaggeration and something that is more a function of Hollywood clichés than it is reality.

But you're absolutely right that Glock has managed to benefit from sort of all the attributes that sell products in this country, both association with law and order and righteousness and standing up for what's right, witness the cops, and on the other hand this kind of dark glamour of the gangster and the criminal, which again for better or for worse is a long standing motif in American popular culture whether it's the interest in the mafia or in more modern times the gangster culture. A lot of us find those images appealing and Glock managed to insinuate itself into all of these themes.

I think there are comparisons. I think certain models of automobile have managed to be both sporty on the one hand and a little dangerous seeming on the other hand. But, when it comes to guns very brands have ever managed to walk that line the way Glock has.

Matthew: Well, that's all the time we have this morning. Thank you so much for speaking with us, Paul. If people would like to actually purchase a copy of your book or check it out where would you direct them?

Paul: I would direct them if they are online shoppers to Amazon.com where they can just punch in my name or the title of the book, *Glock: The Rise of America's Gun*. Or they can go down to their independent book store on Main Street or out to the mall and visit Barnes & Noble, it's carried in all those places.

Matthew: Thanks again, Paul, for joining us on Marketing Smarts. And listeners, thank you for listening here to the end. This has been Marketing Smarts, a podcast brought to you by MarketingProfs. I'm your host Matthew Grant and I'll talk to you next week.