

# MARKETING LESSONS

★★★ FROM THE ★★★



# GRATEFUL DEAD

WHAT EVERY BUSINESS CAN  
LEARN FROM THE MOST ICONIC  
BAND IN HISTORY

DAVID MEERMAN SCOTT ★ BRIAN HALLIGAN

BESTSELLING AUTHOR OF THE  
NEW RULES OF MARKETING & PR

CO-AUTHOR OF INBOUND MARKETING  
CEO OF HUBSPOT

(420)



## Praise for *Marketing Lessons from the Grateful Dead*

“Scott and Halligan have written one of the most inspired, practical, and unconventional books on the business bookshelf. Want to develop a cult-like following, establish a new category, and do what you love? Scott and Halligan—calling upon their innate marketing savvy and inspired by their passion for the Grateful Dead—show you how.”

—Marc Benioff, Chairman and CEO,  
Salesforce.com

“Demand everything. Expect nothing.”

—Bill Kreutzmann, cofounder and drummer,  
the Grateful Dead

“I miss Jerry. And I wonder . . . is your brand iconic? Why not? Hint: It has nothing whatsoever to do with hemp brownies. Becoming iconic is a choice.”

—Seth Godin, author of *Linchpin*; blogger;  
Deadhead

“For years, business theorists and corporate strategists have pointed to the Dead’s example for insights into perennial issues and emerging challenges. Scott and Halligan focus on one key factor in the band’s extraordinary artistic and business success—their iconic and enduring identity, not just as a band but as a brand. The authors’ real appreciation for the Dead phenomenon, and their compelling and creative analyses of the Dead’s marketing acumen, make this thought-provoking survey mandatory reading.”

—Nicholas Meriwether, Grateful Dead Archivist,  
University of California, Santa Cruz,  
and author of *All Graceful Instruments:  
The Contexts of the Grateful Dead Phenomenon* and  
*Dead Letters: Essays on the Grateful Dead*

“Jerry Garcia and his band were brilliant marketers. They understood that you grow your fan base one fan at a time, and they constantly came up with things to energize their base while continuing to build it. As committed fans and talented marketing pros, Brian and David have created a book that is both entertaining and informative.”

—Jim Irsay, Owner and CEO, Indianapolis Colts and owner of Jerry Garcia’s guitar, Tiger

“David and Brian share my deep passion for music and its inspiration in our everyday lives. In *Marketing Lessons from the Grateful Dead*, they combine their marketing expertise with a zeal for one of the most successful and iconic bands of all time. They mold two subjects that are seemingly poles apart into one breakthrough book that is as entertaining as it is enlightening.”

—Del Breckenfeld, Director, Entertainment Marketing, Fender Musical Instruments Corp. and author of *The Cool Factor: Building Your Brand’s Image Through Partnership Marketing*

“*Marketing Lessons from the Grateful Dead* explores the phenomenon created by the Grateful Dead showcasing the extraordinary power of music and the innovations the Dead developed to connect and bond with their audience.”

—Michael Lang, Co-Creator and Producer of the 1969 Woodstock Music & Art Festival and author of *The Road to Woodstock*

**Also by Brian Halligan**

***Inbound Marketing: Get Found Using Google, Social Media, and Blogs***  
(with Dharmesh Shah)

**Also by David Meerman Scott**

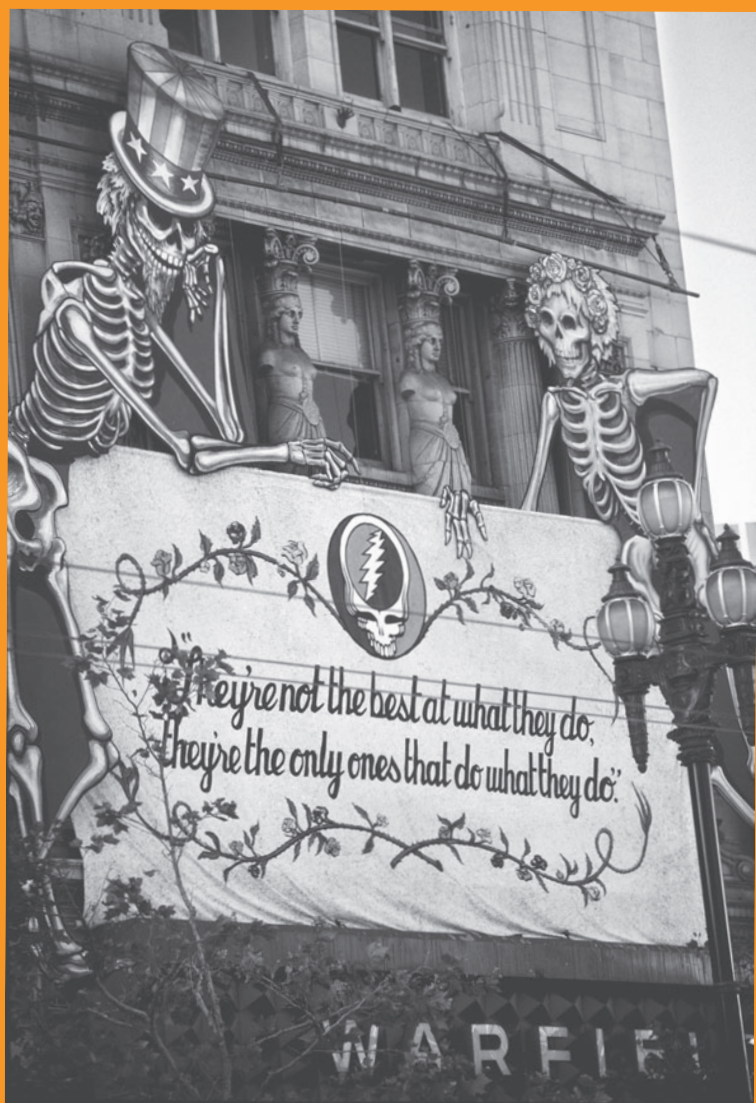
***The New Rules of Marketing & PR: How to Use Social Media, Blogs, News Releases, Online Video, and Viral Marketing to Reach Buyers Directly***

***World Wide Rave: Creating Triggers That Get Millions of People to Spread Your Ideas and Share Your Stories***

***Tuned In: Uncover the Extraordinary Opportunities That Lead to Business Breakthroughs***  
(with Craig Stull and Phil Myers)

***Cashing In with Content: How Innovative Marketers Use Digital Information to Turn Browsers into Buyers***

***eyeball Wars: A Novel of Dot-Com Intrigue***



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David Meerman Scott & Brian Halligan



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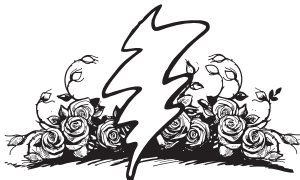


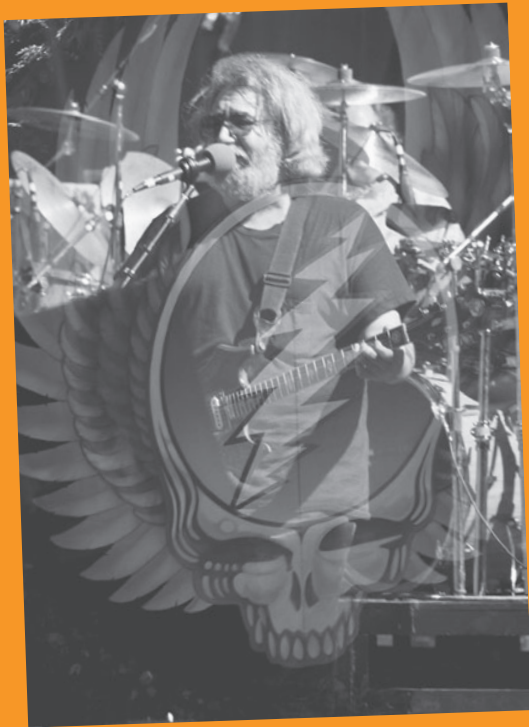
The Grateful Dead was always known for generosity and the performance of numerous benefit concerts.

In this spirit, the authors are donating 25 percent of the royalties from this book to the Grateful Dead Archive at the University of California, Santa Cruz, to support further study of the Grateful Dead.

The Grateful Dead Archive represents one of the most significant popular cultural collections of the twentieth century. It documents the Dead's incredible creative activity and influence in contemporary music history from 1965 to 1995, including the phenomenon of the Deadheads, the band's extensive network of devoted fans, and the band's highly unusual and successful music business ventures.

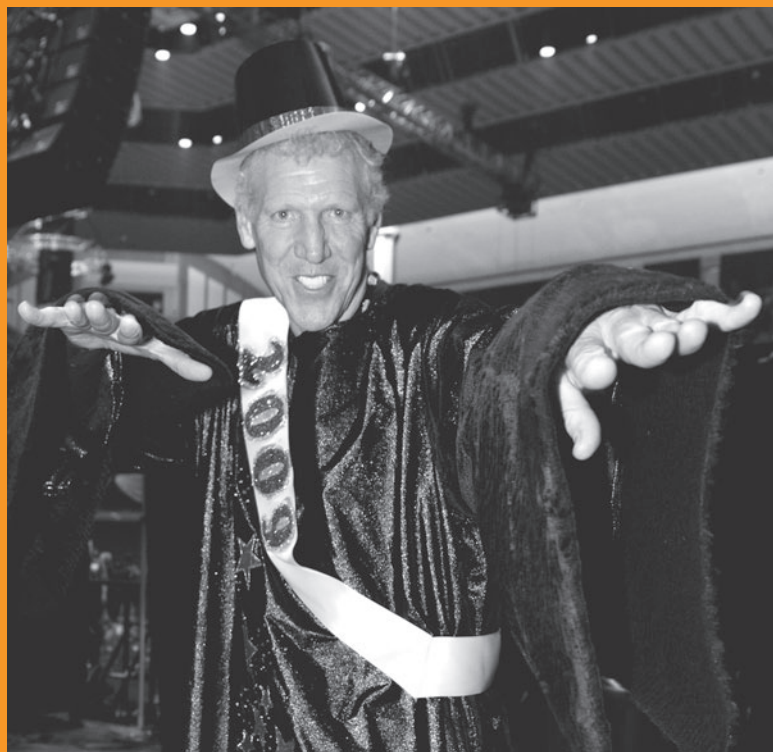
**[www.gratefuldeadarchive.org](http://www.gratefuldeadarchive.org)**





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## Foreword

More than 45 years ago a bunch of young guys in the San Francisco Bay Area, living in their cars and on tomato soup made from tap water and ketchup packages lifted from fast-food restaurants, had a dream and vision of driving the train that would change our world on so many fronts.

That band of merry pranksters ultimately became the Grateful Dead. They have changed the way we live and think—in ways we don't even know. But of all the lasting impact that they have bestowed upon us, who would have ever thought that it would be their business and marketing models that would today be the envy of the culture that they all fought so hard to change.

And now a couple of young scientists, economists and historians, true new-age Cosmic Charlies—Brian Halligan and David Meerman Scott—have help on the way. They have come up with a fascinating story of how the Grateful Dead's counter-intuitive ways of doing business are really best business practices that work for everyone.

Brian and David's newest book, *Marketing Lessons from the Grateful Dead*, is like a powerful, hard-charging anthem that fills in so many blanks while closing the circle of life all around us. Like the Grateful Dead, Brian and David are transformational visionaries with a keen eye for the second set.



Their ability to synthesize the core values, beliefs, and best practices of the Grateful Dead are captured brilliantly in a thoroughly enjoyable and readily applicable package that is like the release of the band's next album—eagerly anticipated by all.

Like other daring visionaries, the Grateful Dead rejected conventional wisdom. They had a willingness and confidence to take a chance on something new and different. They cut themselves loose from their fear of failure and the unknown. They worked and they played on the edge, and did both loud, fast, and free of traditional constraints.

Their passion, creative spirit, imaginative soul, and industrious commitment to promote truth, fairness, justice, and the Grateful Dead way led them through the evolutionary transition where they went from playing for silver to playing for life. This book tells you how to make that transition for your own career.

In the band's never-ending battle against the dire wolves of deceit and false prophets (and profits), the Grateful Dead—a shining star, a beacon of hope on a bleak landscape—have been able to rise above the blinding madness with innovative promotional techniques, viral marketing, a commitment to customer service, personalized ticket and merchandising plans, and a sense of community and team that was unheard of years ago, but is clearly now the standard new path to the promised land. It all seems so simple—yet so frustratingly elusive. We all have two eyes, but still some of us can't see.

In life, we get rare opportunities to climb aboard a new bus heading down the road to where the water tastes like wine. Brian and David are today's newest chauffeurs. They have given us a fresh and delicious chance to get it done—and we might as well.

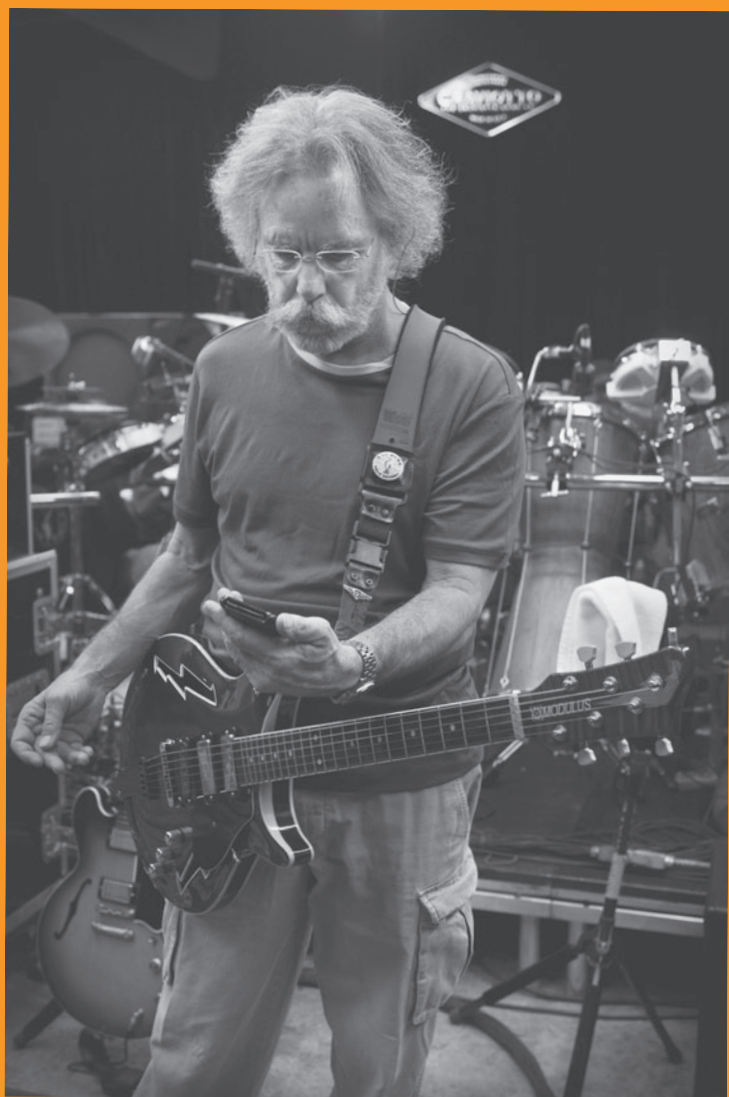
Like the Grateful Dead, they epitomize the mantra from so many roads traveled blindly, with little more than faith—“We sure don't know what we're going for—but we're going to go for it for sure.”

And that is why after gleefully consuming *Marketing Lessons from the Grateful Dead* and following these guys who have done so well by doing good, I stand tall and proud in my choice, satisfied with my willing sacrifice, and happy with my undying love and loyalty, while forever waving that flag, and singing loudly, “I'm with those guys.”

Marketing? The Grateful Dead? Who would have ever thought?

Once in a while you get shown the light, in the strangest of places if you look at it right . . .

—Bill Walton, basketball legend and Deadhead





## Introduction

“THERE IS NOTHING LIKE A GRATEFUL DEAD CONCERT”

First used in the liner notes of the Grateful Dead album *Europe '72*.

Picture a summer evening, and imagine that you are in a sold-out arena. The audience members have been partying all afternoon in the hot sunshine, hanging with old friends, meeting new ones, drinking, laughing, smoking. . . .

The collective anticipation in the arena feels positively electric, enhanced by the sounds from the stage, which hums with tens of thousands of watts of pure power ready to rock. The house lights go down and a cheer goes up. Hundreds of tiny red lights on the band's onstage equipment are visible, blinking on and off like fireflies as the musicians shuffle onto the stage.

Phil Lesh, Bob Weir, and Jerry Garcia plug in and noodle around a bit on their guitars, their backs to the audience. The two drummers settle in behind their kits. One sends out a cosmic *boom* from a bass drum, and we in the audience feel it as much as we hear it. A cheer for the *boom!* Some people try to discern what song the band will open with, based on the quasi-riffs now being played. Set-list savants predict the opener to their friends, based on the algorithms they used that morning to query databases of every song ever played



by the band. Then quietly, slowly at first, the band coalesces around a familiar tune. They turn to face the crowd. The lights come up. The volume is cranked. And 20,000 people collectively begin to boogie. Another Grateful Dead concert has left the station.

The Grateful Dead emerged out of San Francisco in 1965, during an exceptional period in American history. The Vietnam War was escalating and the civil rights movement was in full swing. Young people were beginning to question authority in large numbers, and the counterculture scene was growing. The band grew in popularity during the late 1960s, releasing their first album in 1967 and playing Woodstock in 1969. But unlike many other bands that faded away or broke up, the Grateful Dead played on into the 1970s, 1980s, and 1990s, with band members continuing to play together today, gaining new fans along the way, including us.

We decided to take our fandom to a new level and write about the Grateful Dead. However, we're certainly not the first people to identify the Grateful Dead as a band worthy of study. In the past few years, a wave of interest in the band has emerged in a wide variety of fields.

A conference at the University of Massachusetts at Amherst called "Unbroken Chain: The Grateful Dead in Music, Culture and Memory" brought together scholars, fans, artists, performers and members of the extended Grateful Dead family for the first major university conference on the enduring legacy of the Grateful Dead experience. The conference included more than 50 presenters in 20 panel

discussions ranging from music composition and improvisation to an examination of the band's business model. There were musical performances, gallery exhibits, and presentations; and the conference served to legitimize the study of the band. Brian attended the conference and it got his mind spinning about the possibilities of the band as a marketing example.

Then in 2009, the University of California at Santa Cruz acquired the Grateful Dead archive, considered one of the most significant collections of twentieth century American popular culture. The archive includes 600,000 linear feet of books, recordings, business correspondence, posters, tickets, photographs, films, stage props, and more. The acquisition prompted excitement from scholars in many disciplines eager to gain inside knowledge for their work in sociology, history, art, musicology, and business theory—both within and beyond the Grateful Dead community.

In March 2010, the New York Historical Society opened the first large-scale exhibition of materials from the Grateful Dead Archive. “Grateful Dead: Now Playing at the New York Historical Society” chronicled the history of the band, its music, and the phenomenal longevity of the Grateful Dead community through original art and documents related to the band, its members, performances, and productions. We were both thrilled to participate in a private tour of the exhibition led by Grateful Dead drummer Bill Kreutzmann. The exhibit, which ran through July 2010, explored, in part, the band's refusal to follow established music industry rules.



It is this marketing savvy, including direct contact with fans, a focus on touring, and other innovations that we profile in detail within these pages.

So, why all the fuss?

Well, the Grateful Dead played over 2,300 live concerts from 1965 to 1995, establishing the band as the most popular touring act in rock history. While the band also saw success with 13 studio albums, it was the live concert experience that set them apart. The Grateful Dead created a free-form live sound that combined elements of many different musical styles (rock, country-western, improvisational jazz, gospel, and more) to create a completely new and unique sound. The band played about 500 songs live over a 30-year career, and of those 150 were original compositions. The band covered songs from such diverse artists as Bob Dylan (“All Along the Watchtower”), Kris Kristofferson (“Me and Bobby McGee”), Johnny Cash (“Big River”), Steve Winwood (“Dear Mr. Fantasy”), Chuck Berry (“Johnny B. Goode”), and The Beatles (“Day Tripper”). Unlike most rock acts that played the same songs in the same order every show, you never knew what Grateful Dead you would get in a given night, and that surprise element was part of the Grateful Dead experience.

A Grateful Dead concert was more than just . . . well . . . a concert. It was a happening, a destination, and, for the most diehard fans, it was their lives. Indeed, some people followed the band from city to city, attending each of the roughly 100 shows that they played in a typical year. Many supported themselves