



What Marketing Communications Can Do for You

Many business professionals outside of marketing don't really understand marketing and marketing communications. In this chapter, I want to correct that. Marketing communications is a lot more than "doing ads."

The Importance of Good Marketing Communications

The scarcest resource on the planet is no longer money or diamonds or oil. The scarcest resource is attention. The demand for attention today far exceeds the supply. The resulting scarcity of attention is the greatest problem facing any marketing communicator.

By almost any measure, the noise level or clutter in media has gotten so overwhelming that it is difficult for any one message to stand out and be noticed. Estimates vary depending on the study and the group studied, but the average American is exposed to somewhere between 200 and 5,000 commercial messages a day. We have more demands on our attention in just one day than our great-grandparents had in an entire year. By the time you die, you will have spent years of your life watching commercials and seeing ads.

The vast majority of these messages are ignored, a few are hated, and a tiny percentage are noticed and appreciated. And even if a marketing

communication manages to penetrate your consciousness, it must compete with the estimated 45,000 to 50,000 thoughts a day inside your brain.

What Is Marketing Communications?

Marketing communications is anything your organization does that affects the behavior or perception of your customers. The marketing communications process is a conversation between you and your customers that is as much about listening to your customers as it is about sending them messages. It is not a one-way street.

It doesn't matter who your customers are or what you are selling or

promoting. Every decision you make and everything you do influences what your customers hear, see, or experience and will affect how they think and feel about your company and your product and/or service. This, in turn, influences what they do. Perception *always* precedes behavior.



KEY TERMS

Marketing communications Anything your entire organization does that affects the behavior or perception of your customers.

Marketing communications process A conversation between you and your customers that is as much about listening to your customers as it is about sending them messages.

Be Authentic

“Everything you do” includes product development, price, locations, hours, placement and distribution, hiring, listening, promotion, design, contact points, news quotes, mistakes, and word of mouth, as well as classic advertising media communications. In general, direct experience trumps word of mouth, which trumps sales communications.

If your sales communications are making claims that are not supported by word of mouth or, worse, not supported by direct experience, you are bet-

ter off adjusting your communications downward to fit reality. Otherwise, you are teaching people not to believe your communications. You are teaching them that your brand is a liar. Unless your product or



KEY TERM

Brand The sum total of all the customer impressions of your product or service.

Brand consists of conscious and subconscious perceptions and it exists only in your customers' minds, but it drives their behavior in a very real way.

service is a once-in-a-lifetime purchase (such as a presidential election!), it is always better to underpromise and overdeliver, even if your competition is making exaggerated claims.

Most people distrust corporations, sales, salespeople, and marketing communications. One way to stand out from the competition is to always tell the truth.

Marketing Communications Multiplies Word-of-Mouth

If your marketing communications claims are supported by word-of-mouth and direct experience, your advertising acts as a multiplier. It can actually improve the amount of positive word of mouth (how often and how many people say good things about you), and it can even improve and reinforce your customer’s direct experience of your product.

<p>Word-of-mouth The things, good and bad, that people say about your company and its offerings.</p>	
<p>KEY TERM</p>	
<p>This is usually the result of the experience that people have with your product or service and often, even more, a result of the quality of the relationship they have with you as the seller.</p>	

Marketing Communications and Your Brand

A brand is perception, and perception is reality for customers.

The total of all the customer impressions of your product or service is your brand. Your brand is not the buildings, equipment, boxes, objects, or people you manage. Your brand is a perception that lives in your customers’ minds.

One of the most frustrating experiences for a company is to create a technically superior product that is not perceived as a superior brand by prospective customers. That is one problem that superior marketing communications can help

<p>KNOW YOUR BRAND</p>	<p>SMART</p>
<p>Know how customers, actual or potential, perceive your company and what you sell. Know the impressions you’re making in the community you serve. Know that this is reality.</p>	
<p>MANAGING</p>	

resolve. In fact, any marketing communications on which you spend time or money that doesn’t improve perception is pure non-value-added overhead.

What Is a Target Market?

While it is tempting to try and sell your product or service to everyone in the world, it is not cost effective. You might convince adult men to buy women's makeup, but it's likely that the return on your investment would be negative. You are much better off selling makeup to women or, better still, selling makeup to young adult women who are fashionistas.

To profit from your marketing, you must have a target market—a primary group of people you serve. Your primary market is the group of customers who account for a disproportionate share of your sales and

profits. They are the ones you can't afford to do without.

You may also have secondary and tertiary markets, customers who are important, but not as important. For example, in the U.S., women buy most of the men's underwear, usually for their husbands and sons. Wives and mothers are the primary target market for men's underwear. But younger single men and divorced men also

purchase their own underwear. They are a secondary target market. This is important to understand because they have different motives and beliefs, they need different messages, and they are reached through different media.

One of the most important marketing decisions you will ever make is to decide which group of people is your primary target market. You can't pursue all markets or even just two markets if they are incompatible. For example, if moms like something, teen boys distrust it; and if amateurs like something, professionals are embarrassed to use it. Sometimes you just have to choose—you can't please everyone. More about this in later chapters.



KEY TERM

Target market The group of prospective customers to whom your offerings are most likely to appeal.

Your *primary* target market consists of customers who account for a disproportionate share of your sales and profits, the customers who keep you in business. Your *secondary* target market consists of customers who are not as important as your primary target—and who may want different things from your brand.

What About Your Competitors?

We live in an era where customers can instantly find many alternative products and services to meet the same need. Sometimes your competition can even be your otherwise potential customers. For example, for businesses that sell fast oil changes for cars, one competitor is the do-it-yourself oil changer. Sometimes your competition can come from completely different business categories or technologies. To clean my house, do I buy your vacuum cleaner, or do I hire a housekeeper, or do I invest in materials with easy-to-clean surfaces? To get in touch with my friend overseas, do I mail a letter, send an e-mail, call on a cell phone, fax a document, connect face to face via computer, or fly over and meet face to face?

In general, consumers tend to choose from among a small set of products or services and similar brands or suppliers to meet their needs. This is called the *considered set*. It is very telling which of your competitors your customers lump you in with. You may be very surprised at both how customers categorize their choices and who or what your competitors really are. Needless to say, knowing this can have a large effect on your marketing communications.

Considered set The small group of competing alternatives that customers consider when making a purchase. Most customers have several favorites among which they choose.



KEY TERM

How Marketing Can Benefit Your Business

Increase Sales

Most marketing communications neither dramatically increase nor decrease sales. But there is evidence that the most effective marketing communications help companies outsell the least effective by 600-900 percent! A little-known fact is that the worst marketing communications can even drive sales down by as much as 50 percent every time they run. Part of the purpose of this book is to help you avoid being on the low side of that bell curve and instead move toward that 600 percent elite.

Resist Becoming a Commodity

There is increasing evidence that brands are being driven out of the middle and into two categories: either you are a *discount* brand competing

on price or you are a *premium* brand competing on quality and brand loyalty. For example, Wal-Mart competes on price, and Neiman Marcus competes on quality. The big losers are the brands that attempt to stay in the middle of the road, neither premium brand nor discount brand. They become a *commodity*, which means customers will jump if a competitor offers a lower price or a better product. It is a hard place to be. A sure sign is that your salespeople keep requesting lower and lower prices in order to make a sale. Building a brand can help keep you from being a commodity.

Create a Legal Monopoly

A powerful and well-known brand can even create a perfectly legal *perceptual* monopoly. There is evidence that the better a brand is known and the better it's distributed, the more a new competitor must spend just to be noticed, let alone tried. For example, anyone starting a fast food restaurant and trying to compete with McDonald's or Burger King would have to spend a lot of media dollars just to get its name out there. As a result of decades of consistent investment in marketing communications, McDonald's has a strong competitive advantage. This is one legal way to minimize the number of serious competitors.

Improve Customer Intent to Purchase

Marketing communications can affect your target market's *intent to purchase*. That's the degree to which a customer intends to buy your product or service or the number of customers who intend to buy. The greater the intent to purchase, the greater the likelihood of sales.



Intent to purchase A market research measurement of how many of your prospective customers intend to buy your product and/or the degree of interest in buying, usually after seeing an ad or a product concept board.

KEY TERM

Make Customers More Loyal

Marketing communications can also inoculate your customers against switching to competitors. If you can create strong brand loyalty, they will even pay less attention to your competitors' ads or price promotions. You create the most powerful loyalty when you create a *badge brand*. A badge brand is a product or name that is so powerful that people define

their own identities and social groups around it. No matter how superior motorcycles from Japan may be technically, Harley-Davidson riders view the Harley brand of motorcycle as a symbol of America, freedom, and rebellion. They wear clothing and get tattoos that proudly show off the brand. They are the brand and the brand is them.

Build a Bank of Goodwill for Tough Times

Consistently believable marketing communications can also build goodwill that can help you in the event of a major mistake. A strong brand perception buys some forgiveness. And actions consistent with the character and values of your brand during a crisis can actually improve customer perception. During the Tylenol tampering scare in 1982, Johnson & Johnson, the parent company of McNeil, pulled Tylenol products from store shelves, demonstrating that company officials valued

customer health over financial health. As a result, the company gained even more trust from current and prospective customers. There may come a time when you have to raise your prices or you receive negative news coverage. When those times come, a bank of goodwill can really pay off.

Badge brand Product or name that is so powerful that people identify with it and its image.



KEY TERM

WHEN CUSTOMERS ARE THE COMPANY

You know you have created a strong brand when your customers define their very identity with it. I once sat behind one-way mirrors in five cities and listened to product enthusiasts beg the holding company that had just bought their favorite product manufacturer to recognize the power of their feelings. “We are the company,” they raged at the mirror. “We believe in it. We keep it alive! Not you!”



ADMIT YOUR MISTAKES AND LIMITATIONS

A manufacturer of water purification filters sent defective filters to leading department stores. Customers complained and returned them in droves. The manufacturer was able to convince the department store buyers to give it another chance with an advertising campaign that admitted that the company had made a terrible mistake and that proved that its new and improved designs would do a better job. The retailers gave the company a second chance.



Get More Retail Distribution

Marketing communications can help a small brand get retail store distribution and provide greater protection against discounting. If retail customers are asking for a product by name, retailers listen. If not, retailers will attempt to discount your price to the maximum. They may even create their own store brand to compete with you. It's a slippery slope between being a brand and being a commodity.

Charge More for the Same Product or Service

A good name alone can increase the perceived value of your product by as much as 20 percent. That's a lot of money to leave on the table due to not understanding marketing communications. Studies show that customers buying products ranging from dog food to automobiles are willing to pay up to 200 percent more for a premium brand than a comparable product. The difference is brand perception and emotional connection. Of course, the quality of the product must justify that connection, so never let quality slip lest you undermine what customers think of your product.



**MARKETING COMMUNICATIONS MAKES
FOOD AND DRINK TASTE BETTER**

Marketing communications can actually alter the emotional and physical experience of your product or service, especially if it is an intangible like expertise or something that customers can't evaluate objectively, like gasoline, perfume, or beverages. Studies repeatedly show that even loyal consumers often can't tell the difference among brands of alcoholic or nonalcoholic beverages. Their actual taste experiences are shaped by the design of the bottle, the graphics, the name, and the advertising.

Motivate Employees and Volunteers

Marketing communications can help attract, retain, and motivate better employees or volunteers. For example, to attain some of the best health care performance numbers on the planet, a regional health care provider focused most of its advertising dollars on recruiting the most dedicated and caring types of people. Not only did it communicate to prospective patients that the company provided superior health care, but it also raised the bar and the level of pride among current employ-

ees, which improved measurable delivery of health care services directly to patients.

Increase the Value of Your Stock

Marketing communications can help increase the stock value of your company. Brand values can be measured and used to calculate the worth of companies. The owners of a company challenged our agency to revive the sales of a declining retail craft store. We succeeded wildly, enabling the owners to sell the company one year later and become millionaires. The marketing communications demonstrated the growth potential of the brand.

Help Your Sales Staff

Marketing communications can pave the way for your sales staff. First, a well-known brand name can put your company on the short list of vendors. Second, a reputation as a market leader can make you the safe recommendation. There is a famous saying: “Nobody ever got fired for recommending IBM.” Wouldn’t you like the same to be said about your company? Third, your salesperson is not an unknown person selling an unknown product. Your advertising serves as a kind of introduction, to make a positive impression on the prospect. And fourth, marketing communications can be used to generate leads with interested prospects.

Avoid Nasty Surprises

Customer problems usually appear first as changes in perception. This gives you time to do something about them. If you do ongoing tracking studies of your primary target market or prospects, you can measure changes in things like unaided awareness of your name, intent to purchase, attitudes, trial, and repurchase. Your market research can serve as an early warning system and also help you diagnose the type of problem you are facing.

For example, if prospects don’t know your name, you can increase your media reach and frequency. If prospects have an incorrect attitude about your brand, you can adjust the content of your communications. If prospects are not trying your product for the first time, you can look at sampling programs, guarantees, and promotions. If prospects are not

purchasing your product after the first time, then you look at customer satisfaction, product design, price, or competitive superiority.

Marketing Results Can Benefit Your Career

High Visibility

One of the blessings (and curses) of marketing communications is that your work is highly visible. Everyone sees your communications: fellow employees, customers, distributors, stockholders, your bosses, people in the trade press, people representing political interests, salespeople, and customers. So your successes (and failures) are noticed.

Marketing typically touches almost all the departments in an organization, and all the departments in an organization affect the target market's perception of your business. This helps you acquire a top-management point of view, because you have to see the big picture to market effectively. The customer-business interface is where the rubber meets the road. Marketing is very different from toiling away invisibly in the backroom operation working on just one tiny dimension of the business.

Brand Championship

One way to succeed in marketing is to take a product or a brand and introduce it or revive it. People can see the sales results of the communications you've created. Championing an early product success is a proven route to a top-management position.



ADJUST INTERNAL EXPECTATIONS

Set reasonable and measurable marketing communications goals, and then track your progress toward those goals from year to year. Most expectations are either too high ("This will save the company!") or too low ("Advertising doesn't work!"). Manage expectations and you'll build credibility for the marketing function within your organization. There's nothing like getting fired because your CEO or Board of Directors was too disappointed or too cynical.

Management Advisor on Customer Behavior

You can also serve as a wise advisor to top management. You should be the resident expert on how prospective customers perceive your company and your competitors. You can provide wise advice in the event of a crisis or an opportunity. You can help

reduce the risk of new product introductions through testing with customers. You can find out what is going on through market research or Web monitoring. You can help adjust the spin of news coverage.

Holistic View of the Business

Even if your ultimate goal is to work in another area of your business, marketing is a great way to study all the dimensions of your business and how they come together. It is also a great way to practice looking at your business from the outside in and with more objectivity. You also get a sense of what customers will and will not allow your brand to do. Should Clorox create a soft drink? No. Should Volvo create a sports car? Maybe. Should Apple go into the music business? Yes. Your understanding can help prevent the development and introduction of new products that could harm the credibility of your main brand. Better yet, you can learn to spot unmet needs in your target market and suggest directions for new products.

If you move to another company in that industry or to another industry, what you've learned about the principles, strategies, and psychology of marketing will transfer wherever you go.

Classic Business Situations Where Marketing Can Help

There are some situations where marketing communications can have a greater impact. In these situations, it pays to amp up the marketing budget and take advantage of the opportunity. In general, the marketing budget should be based more on this year's opportunities than on last year's line items.

New Product Introduction

Human beings are wired to pay attention to anything useful or anything new and different. Human beings also tend to form their opinions based on first impressions, and first impressions tend to be lasting impressions. So you generally have only one chance to introduce a new product or company or business and to introduce it correctly. The news value of what you have to say makes it more likely that people will pay attention to your message, which gives you a greater return on investment (ROI) on your marketing communications investment.

In direct mail, headlines that begin with “new,” “now,” “announcing,” and “introducing” tend to get above-average sales response. Make sure, though, that your product has something truly new and different. If you say it is “new” when it’s not, you are teaching people not to believe your future communications. Make sure also that what is new is also important and visible to your customers. Sometimes technical breakthroughs are invisible to the consumer or are unimportant. Make sure your customers understand what you are selling, why it’s new, and why they should care. Since you only have one chance to launch a new product, it pays to err on the higher side of investment.

Relaunching an Old Brand

Companies make a lot of short-term money by riding on past marketing communications investments in a well-known brand. They invest in the brand, and then they stop investing and reap the short-term profits. Unfortunately, there comes a point where brand awareness drops, and perhaps several years out, sales start to drop suddenly, as customers in the target market age or forget about the product. If competitors are investing heavily in brand communications, this decline accelerates.

However, it’s possible to bring a well-known brand back from the dead. To do this, you need to treat it like a new product introduction and invest significant sums to regain brand-name awareness among the new customer groups. Because there is some residual brand-name awareness and a proven market, you get some financial lift.



BANK ON THE NATURAL DECLINE

I had one client who used to their advantage the natural tendency of people to lose interest in a product. A number-two competitor was eating their lunch with a powerful campaign year after year. So my client bought the competitor and did only token brand advertising for it. My client reaped tremendous profits from that brand for about four years. But after a few years without exposure of the product in the media, sales dropped 30 percent, then 40 percent at five years, and then practically to zero at six years. My client basically let a competitor die a natural death. Amazingly, many companies cause the same decline for their own brands by cutting back on investments in branding.

Recession

It is counterintuitive, but study after study of every recession since 1949 has shown that companies that advertise during a recession win business from those that don't. Increasing spending during this time can achieve the same net ROI as a cut in spending. A recession is apparently an opportunity to make significant gains in market share at the expense of smaller or less aggressive firms. One study of hundreds of companies showed that companies that advertised achieved 14 times the sales growth of companies that did not. Even more amazing, these gains can last three to five years. Even large and experienced marketers have learned the folly of cutting advertising expenditures during a recession, only to see sales fall even more, for a net loss.

Perhaps one reason recessions are a great time to advertise is that personal consumer spending actually goes up during a recession and is highest at the very bottom of the recession. Companies that cut back on advertising miss their share of this spending spree.

Another reason may be that the overall noise level of advertising goes down as many companies cut back, and so those that advertise stand out more. It's also possible that during a recession consumers get a sense of which companies will survive and which won't, based on cues like whether or not they advertise. Whatever the reason, there is no better time to aggressively invest in marketing communications than during a recession.

Product Quality Better Than Perception

In many categories, products and services are essentially at parity: consumers can perceive no major difference among them. That is because it is easy for a competitor to purchase and duplicate your new technology and hire away your best people and get to market with a reasonable facsimile of your new product fairly quickly. So if your product or service has a genuine and sustainable point of difference, and consumers care about that difference, then marketing communications can make a big difference. You simply concentrate on getting the news out about the important differences and their benefits.

If your company is in the habit of perpetual research and development to create authentically different and superior products, not just me-too knockoffs, then it is in your best interest to make sure your target cus-

tomers know about them. Just make sure the difference is easy for customers to see, is easy for you to explain, and has an obvious benefit the consumer cares about. That's why companies that sell chunky spaghetti sauce switched to clear glass jars to show the big chunks of tomatoes. The transparency "advertised" the important product difference. If your company actually has a genuinely superior product or service, you are insane not to communicate it.

Low Awareness of a Great Product

If customers who try your product love it enough to buy more again and again, then you can increase sales by making prospective customers aware of your brand name. Get your name out with brand advertising that emphasizes your name to likely prospects and induces more people to try your product, and you're off to the races. The advertising will multiply the positive effect of word of mouth and of trial.

Stumbles by Competitors

When competitors stumble, it's a rare opportunity to seize market share. Perhaps they had a major product recall, or their CEO got caught with his hand in the till, or they had to request a government bailout, or they received a major fine, or they are closing offices or ending products. Maybe they extended their brand into a product area where it doesn't belong. Maybe they are acquired by a company that lets the product or company languish. Maybe they have cut back on sales staff or pulled back on advertising. Whichever way they stumble, be prepared to move in quickly with a marketing campaign that takes advantage of the weakness.



FIND THE SILVER LINING IN A COMPETITOR'S CLOUD

One bank client with which I worked knew that a major local competitor had just been purchased by a large national bank.

They knew that the competitor would soon revise the signage, the checks, and the service fees, and that some convenient neighborhood locations would be closed down. So they prepared a geographically targeted direct mail, newspaper, and radio campaign so they were ready to take advantage of disgruntled and uncertain customers who lived and worked around their competitor's retail locations. Since people rarely switch checking accounts, this was a rare marketing opportunity—one that really paid off for them as tons of customers switched to my client.

Your Product Sells Itself

If your product or service is clearly superior in ways that are important, and it is selling itself and generating great word of mouth, then that is one of the most lucrative times to advertise. The advertising serves as a multiplier of all the good experiences and word of mouth, generating more and more trials, faster and faster. For the same reasons, avoid advertising a bad or inferior product or service.

Crisis

A crisis is one of those moments of truth when people pay more attention to your product or service or to the situation of people or society. Tylenol is a great example of a brand that grew

stronger as a result of a crisis. If your company suffers a crisis, it is important to get the word out, especially to the news media. It is imperative to always tell the truth and to hide nothing reporters might uncover.

If there's a crisis elsewhere, you can help out the victims and gain an advantage. Donating your product or service to the victims of a flood, a fire, or any other catastrophe can help build your brand in the eyes of prospective customers. The news coverage that often accompanies a crisis causes people to pay more attention to your company name, products, and advertising and to get a positive impression of your brand because of your generosity.

Don't forget to communicate to your employees if your company is going through a crisis. Their word-of-mouth opinions can have a powerful effect in such times. (See more about crisis management in the chapter on public relations.)

Business Category in a Growth Stage

If your company is part of a new product category that is rapidly growing, such as when the first personal computers hit the market or when

**INVEST IN WINNERS,
DON'T SHORE UP LOSERS**

Advertising is a multiplier. It multiplies the sales of winning products and damages the sales of bad products. Because you want the highest return on your marketing communications investment, don't try to salvage loser products or increase sales during natural downtimes or pour money into underperforming locations. Back your winners and make more money.

SMART



MANAGING

pizza delivery started getting hot, it is imperative that you promote the category to grow sales and that you emerge as the perceived market leader. It's more important to be perceived as the market leader or to be the first name to come to mind than it is to be the technical leader.

The best way to do this is to grow sales and market share. That's what made Xerox synonymous with copiers and Kleenex synonymous with tissues and IBM synonymous with computers and i-Pod synonymous with downloadable music. If your name represents the category, you must invest in creating the perception as the first and best-known market leader. You will only have one chance to do this.

Market Shakeout Stage

New business categories typically start out with many competitors. Eventually, a few of them emerge to vie for the top spot, and the rest go out of business. This is known as the *shakeout period*. The brand that is per-

ceived as the market leader at this stage will not only survive, but also likely retain the top spot for a long, long time. So it's worth it to invest in increasing sales and market share and building name recognition at this time. Many

	<p>Shakeout period The stage in the development of a business category when the number of competitors is significantly reduced. During this critical period, a few market leaders emerge, and the losers go out of business.</p>
<p>KEY TERM</p>	

of the brands we take for granted today triumphed over many competitors during their shakeout phase, in some cases over a hundred years ago.

Achieve Market Leadership

If your brand is fortunate enough to attain the number-one spot after a shakeout period, or if you have been in a neck-and-neck horse race and you pull ahead, it's a good time to advertise your leadership. Make sure that when you do, you also state a key reason or benefit why people prefer your company over your competitors. This is a chance to solidify your lead.

Competitive Attack

When a competitor, old or new, significantly increases its investment in marketing communications, you must be prepared to match or exceed

the competitor's media levels, depending on your share of market. Otherwise, over time, the competitor's brand-name awareness will grow and yours will shrink. Eventually, your low awareness will drive your sales down, especially with new and prospective customers.

If the competitor's advertising is a direct challenge or a direct attack on your brand, think carefully about what your response will say. The competitor may be attempting to bait you into a contest you will lose. The worst scenario here is when competitors start a price war and advertising temporarily drives prices down to unrealistic levels. This tends to benefit the largest and most financially solid players. Wal-Mart has been known to do this when it moves into a town.

New Target Market

If you are taking your same product into a new target market, you must treat it as a new product introduction, with the appropriate level of spending necessary to raise brand awareness if you want to meet the sales goals you set. After all, prospective customers have never heard of you, and they don't know why they should even care about a message from you or about your product or service.

Seasonality or Event Trigger

Many products and services have peak times or peak seasons. It is often best to advertise prior to and during these seasons, when people are considering purchasing. The best time to sell is when people are ready to buy, and that is also the best time to advertise. A hurricane warning is a great time to advertise plywood and duct tape. The Christmas buying season often accounts for up to 80 percent of annual sales for some products. Valentine's Day is big for chocolates. One of my clients, a car repair franchise, maintained a series of localized, ready-to-run advertising and PR campaigns that would be triggered by weather events. At the first sign of freezing temperatures, for example, it ran ads to winterize cars. Some products also have a peak time of day for purchase, such as coffee from a convenience store.

Unanticipated Customer Needs

There are products and services, such as auto glass repair, garage door repair, and cardiac care, that no one wants to think about purchasing.



**NUMBERS SLIP,
LETTERS STICK**

If you advertise on the radio, remember that most people who hear your ads will not be ready with pen and pencil to jot down your number and not many of us can memorize seven or 10 digits that we hear once or twice. Smart marketers try to find a phone number that is more memorable as letters, such as 1-800-FLOWERS or 1-888-COOKIES. Those configurations will stick in the mind better than 1-800-356-9377 or 1-888-266-5437,

But if you provide such products or services, make sure yours is the name that people remember if the time comes. This type of marketing communications is about name recall and phone number recall, and often involves the use of jingles and other memory devices. This usually calls for a year-round communications presence.

Market Gap

Through market research, you can identify product or benefit gaps in the marketplace. If you create and test a product that successfully fills this gap, and you have identified a target audience for the product, it pays to get the word out loud and fast. This will give you a head start on me-too competitors.



Market gap An opportunity to sell a product or service that prospective customers need and that no other company is providing.

KEY TERM

Sell Across or Up

The most profitable target group to which you can advertise is your current customers. It is almost always a good idea to communicate with them regularly and offer them opportunities to buy other products or services from you. Just make sure you manage their contacts in a database and measure the results. Too much contact or the wrong offers will anger and alienate them. Not enough contact leaves money on the table. Customer relations or customer database management is almost always a good idea.

PERFECT THE PITCH

A friend told me about a marketing letter he'd received that caused him to eliminate that company from his considered list. It began with "We respect your intelligence" and continued with similar flattery. Then, at the bottom of the first page, which ended in the middle of a sentence, it read, "Please turn the page." My friend laughed—and stopped reading. What company would praise a prospect's intelligence and then assume that the prospect was not intelligent enough to turn the page for the rest of the sentence and whatever followed?

That line, "Please turn the page," was no doubt standard on all the marketing letters that company mailed. But it made no sense for that particular letter, which did more harm than good. If you want to market effectively, nothing is standard. If customers have choices, little things can carry big consequences.



Framing Marketing Expectations: Miracle Cure or Money Rathole?

Most businesspeople fall into three categories when it comes to marketing expectations. This is usually based on early personal experience. One group believes that marketing communications can save the company, like a magic wand. The people in this group have personally witnessed the power of marketing communications to drive sales up. One group is largely neutral. Marketing communications may or may not work well, depending on the competitive circumstances, the target market, and the budget available. And one group believes that marketing communications is a creative circus and a total waste of money. Those in this group have seen sales go down when advertising expenditures went up.

The reality is that they are all correct. As we mentioned earlier, studies of advertising results show a classic bell curve. A small group of the best advertisers outsell the worst by 600 percent, a small group of the worst advertisers drive sales down 50 percent, and the majority of advertisers don't move the needle much at all. So all the options are possible.

Why advertise at all then? Unfortunately, if you stop communicating with your target market, your sales eventually will go down (unless your communications and product are awful). Your challenge is to find a way to communicate with your market effectively and achieve the highest return on your marketing communications investment.

The Importance of Measuring Results

There was a time when advertisers could not measure the results of their ads. There is a famous quote by John Wanamaker, millionaire merchant—“Half the money I spend on advertising is wasted. The trouble is, I don't know which half.”

Thanks to new mathematics, computers, bar code scanners, industry research firms, and so forth, it is now possible to measure the effects of your marketing communications. Sales, of course, are the result of many factors, not just advertising. A competitor's superior product or stepped-up advertising, bad weather, the aging of a target market, and all sorts of other factors can affect sales. Nevertheless, it is both possible and worthwhile to set measurable marketing communications goals and track results in an ongoing manner.

Marketing prospects vary dramatically from company to company and market to market. If you are an unknown David-sized company competing with long-established Goliaths, and you're selling a me-too product, and you can't spend much on advertising, and your target market is consumers around the world, your chances of success are lower. But if you are an unknown David-sized company in a fast-growing category with other David-sized companies, and you have a clearly superior product, and your target market is 15,000 hydraulic engineers on the East Coast, and you have enough money to get noticed, your chances of success are higher.

It is important as a marketing manager to manage the expectations of the people who approve your marketing budget. Using research and getting help from professionals, you can set realistic goals and expectations, measure your results, and adjust your strategies as you go. You can show the people in power numbers that show what they are getting in return for their marketing investment. This will provide a reality check for those whose expectations are too high and convince those whose expectations are too low.

“That Depends”

A classic marketing answer to any question is “that depends.” Because marketing, like any human behavior, depends on a myriad of constantly changing factors, the results always depend on a number of variables.

No one can predict the future with 100 percent certainty. However, it is possible to make reasonable estimates. Most marketers lack the discipline to invest in regular tracking research. You can be the exception.

Manager's Checklist for Chapter 1

- ✓ Marketing communications is a lot more than “doing ads.” Marketing communications is anything your organization does that affects the behavior or perception of your customers.
- ✓ Marketing communications can benefit both your company and your career in many ways.
- ✓ There are at least 18 classic business situations where marketing communications can have an above-average impact.
- ✓ Marketing results vary dramatically among competitors, categories, and campaigns. The best marketing communications outsell the worst by 600%. It pays to frame and manage internal expectations.
- ✓ Sales depend on many variables, but you can learn to make your marketing communications investments more effective by measuring the results of your efforts.