



Don't Make These Mistakes

The Hippocratic Oath, which is the traditional guide for physicians, contains the promise “to abstain from doing harm,” which is commonly expressed as “First, do no harm.” Before I continue offering guidance in marketing communications, I should offer a similar warning. First, make sure you’re solving the right problem.

Many marketing communication campaigns begin in one of four ways:

- “Our sales are down—we need to (run some advertising, get some PR, offer a price promotion, etc.).”
- “Our competitor just started (going after our customers, advertising more, launching a new product, offering a price promotion), and we need to do what they’re doing so we don’t fall behind.”
- “Our annual budget calls for us to do X amount of advertising. What we’ve done so far has worked, or at least there are no complaints, so let’s do the same thing again.”
- “We just hired a new (CEO, marketing director, brand manager, ad agency, graphic designer), and we need to bring some new thinking in here to improve things.”

All these approaches are wrong. They are often attempting to solve the wrong problem. In some cases, they can actually make things worse.

Let’s look at them one at a time.

Our Sales Are Down! Run Some Ads Now!

There is good logic here. People won't try your product or service if they have never heard of it or if they have the wrong idea about it. Advertising can increase awareness and improve consumer attitudes if you have enough media dollars to stand out above the clutter and if you have a good product or a good promotional offer.

But the first step is to figure out why your sales are down.

If sales are down because this is a time when customers usually don't buy, you're better off saving your money and then spending more to advertise when they are ready to buy. For example, you can spend a lot of money advertising snow shovels in July and you might even sell some, but you're better off waiting until late fall. Most businesses have peak seasons when it makes sense to increase advertising. It makes sense to advertise more just before peak buying season, when customers are thinking about what they plan to buy later.

If sales are down because you have a problem with your product, you are better off temporarily cutting back on your advertising until you fix the problem. Otherwise, you get more people to try your product and that means more people have a bad experience. This can actually drive sales down and damage your brand reputation long term. You'd be amazed how quickly bad news travels among dissatisfied customers.

If sales are down because you have an inferior advertising campaign, you are better off temporarily cutting back on your advertising until you fix the advertising. Some studies show that the worst ads actually drive sales down as much as 50 percent every time they run!

GREAT ADVERTISING CAN KILL

Great advertising sells more. That's wonderful—if customers react favorably to your products. But if you're selling a product that's going over poorly, great advertising can kill it.

If there's a major problem with a product or service, cut back on your advertising and fix the product. When the problem is resolved, advertise again. Announce that the problem is fixed. Customers will be shocked by your honesty. If you can't fix the problem, drop the product. The more you sell of that product, the more damage you'll do—not only to the product, but also to your brand.



Use research to make sure your ads are working and to make them work even better. You can rapidly test customer responses to your advertising. The problem may be the strategy, the offer, the visuals, the wording, the call to action (what you want them to do), the company or product name, or the tone and manner or personality of the ads. The problem may be that your ads are getting attention but not relevant, or

relevant but not unexpected.

Ads can be tested for positive and negative cues—tiny verbal and visual details that can make or break an ad. Your ads may even be offensive or irritating, and your customers are voting with their wallets.

In rare cases, people may get tired of the same ads over and over again. A poorly managed customer mailing list, for example, can mean mailing key customers the same offers too many times. In cases like this, it pays to control the frequency of contact. You can use research to measure the *wear-out* of a campaign. The best campaigns can run for years without wearing out because they are unexpected or because they are continuously refreshed with new variations on the old theme. But if customers are sick of seeing them, running more ads can actually do damage. (Much more common however, is not running ads long enough, or changing them too soon because you're sick of them.)

Promotions in which you



KEY TERM

Call to action What you want customers to do when they see your ad. Do you want them to be

aware of your name, think of your product as the most technologically advanced, find out more information, request a sales visit, order a free sample, try your product, or buy more of it more often? All ads contain the implied call to action of “buy this product.” Try to use the call to action that offers the prospect the most benefit for the least risk. Be realistic.



TEST YOUR CUES

Cues are what prospects use to draw

conclusions about an ad or a product. Cues are how they form perceptions. Before they buy a product, they look for positive cues that it will fulfill their desires and negative cues that it will harm or disappoint them. The most effective products, names, and ads have more positive cues than negative cues. Cues are rarely obvious, except in retrospect. They can be uncovered through testing.

SPLIT-RUN COPY TEST

One simple method of testing advertising, direct response, has been around for over a hundred years. You use a call to action (e.g., “For more information ...” or “To order ...”) and reply cards, phone numbers, or e-mail addresses.

Here’s an example. To test one or more variables in a direct mailer, you mail out two versions of the mailer, each version with a different phone number or e-mail address to every other household. Then track the inquiries or orders that come in for each number or address.

If you want to test the results from advertising in several magazines, you place a print ad in each, with different contact information, and track the responses that come from each magazine.



TRICKS
OF THE
TRADE

reduce prices, offer a gift, or provide a discount are good when used in moderation, as part of an overall brand-building campaign. A good promotion can usually generate an immediate spike in sales.

But if you run promotions every time sales slack, the promotional offer can become a kind of addiction that destroys

the value of your brand. In essence, you are teaching customers to pay less for your brand by waiting to buy until you run a sale. Customers who regularly hunt for bargains are usually quite fickle. They will jump to your com-

THINK BENEFITS

To get customers to act, you must promise them a benefit—a positive outcome or feeling. The benefit can be expressed positively (“Increase your income!”) or negatively (“Avoid painful hemorrhoids!”). The benefit can be physical (“Lose weight!”) or emotional (“Look and feel great!”). Most ads contain a benefit statement.

SMART



MANAGING

BE WARY OF WEAR-OUT

If you advertise in the same way too often and/or for too long, people will pay less and less attention to your ads. In extreme cases of wear-out, your ads will irritate potential customers. Wear-out can be tracked and measured, so you can minimize it.

A far more common error is to change a campaign too soon because you are tired of it. To avoid this *inverse wear-out*, pay more attention to the perspective of potential customers. You know the expression, “The customer is always right.” You may agree or not—but nobody ever says, “The marketer is always right.”



SMART**MANAGING****WHAT'S THE FREQUENCY?**

Make sure you are advertising with the right frequency. You can test this by experimenting with different media levels and watching the results. While it is possible that your advertising is worn out, it is far more likely that you will get sick of it long before your potential customers will. One of the consistently stupidest things marketers do is abandon an advertising campaign that is working because they are tired of it or often because someone else created it.

**KEY TERM**

Promotion Attempt to increase sales through advertising and/or special offers, usually to induce customers to act right away. Benefits include gifts ("Buy one and get a free toaster!"), lower prices ("After-Christmas Sale!"), and discounts ("Save 50%!"). Promotional advertising is very different from brand advertising, which is intended to increase the perceived value of your brand now and in the future.

petitors when your competitors undercut your price. They will not become the profitable long-term customers you want.

Research can tell you if you are attracting fickle customers or first-time customers who will profitably continue to buy from you. In categories where promotions run rampant among competitors, the profitability of all companies in the category declines. Customers come to expect promotional offers and discounts. So, running a lot of promotional advertising can actually damage your long-term brand value and reduce the price customers are willing to pay.

Your advertising budget and market share may be too small to justify increasing advertising media expendi-

tures. There is a minimum threshold of spending for each market and each medium. If you fall below the threshold, you are better off using the money elsewhere, because you will not get enough attention.

If your chief competitor is well known, has twice your product distribution, and spends 1,500 percent more on advertising media than you, it may be smart to invest in another area of your business or concentrate your media dollars to get over the threshold. For example, you could concentrate your dollars on selling your product to dealers (a lot fewer of them than consumers), or concentrate your media on a few key geographies, or concentrate spending on a few key dates or a special event, or concentrate your media dollars on a single medium that you can dominate.

So, it is possible that increasing ad spending may be the answer to your problem of low sales, but it is also possible that it is ill advised.

Our Competitor Is Doing It—Let's Do It Too

There is only one thing more wasteful than imitating your competitor's advertising, and that is imitating the market leader's advertising. The logic goes something like this. "They are the market leader. What they are doing is successful. Therefore, if we do what they are doing, we will be successful too.

Unfortunately, you are not following the leader; you are putting yourself right in the path of the leader. Imitating the market leader is not simply playing a game of follow-the-leader. It's the marketing communications equivalent of choosing to go one on one with the world heavyweight champion.

Here's why imitation or "me too" advertising is a bad idea.

If your advertising is really similar in tone, manner, and content to the market leader's advertising, your target market is likely to attribute your advertising to the leader, not to you. That's because the leader already "owns" that type of advertising inside the customers' heads. If you run a focus group, members may even "remember" your ad as bearing your competitor's logo. You are, in effect, investing dollars in advertising your competitor.

Customers are creatures of habit. Once a brand becomes a market leader, people are very reluctant to change their perceptions.

Once a competitor has more than about one-fifth of the market, you must spend disproportionately more to even be noticed. The larger their distribution and the smaller your distribution, the larger their unaided aware-

Unaided awareness

Extent to which consumers think of a company, a product, or a service in terms

of "top-of-mind." To assess *unaided* awareness, we might ask, "When you think of companies that sell X, which one comes to mind first?"

Aided awareness Extent to which consumers are familiar with a company, a product, or a service. To assess *aided* awareness, we might ask, "How familiar are you with company X— very familiar, somewhat familiar, or unfamiliar?"



KEY TERMS

ness and the smaller your unaided awareness; and the larger their media budget, the more you will have to outspend them in media dollars just to be noticed.

The only way to be noticed today is to be different, be unexpected, and stand out. So your best strategy is actually to differentiate your advertising as much as possible from what the market leader is emphasizing or doing to advertise. You have to carve out your own niche in the customers' minds and own that niche.

Any major point of difference between what you offer and what your competitors offer that customers care about is worth advertising.

Therefore, don't do something just because your competitors are doing it. Do something because your competitors are *not* doing it. No guts, no glory. Stand out!

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| <p>SMART</p>  <p>MANAGING</p> | <p style="text-align: center;">OFFER SOMETHING BETTER AND DIFFERENT</p> <p>In your advertising, say something worth paying attention to, and say it in an interesting way. This includes useful information about new and better products. But make sure it is important to customers and it stands out. To most consumers, there are very few significant differences among products or services or among suppliers. If you offer an important difference, shout it out!</p> |
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We Do This Every Year—Don't Rock the Boat

A lot of marketing communications strategies are driven more by the annual budget, the past fiscal year, and habit than by current problems or opportunities in the marketplace. The company allocates a certain percentage of sales to a marketing communica-

tions budget—and that's that. The problem with this approach is that it fails to take into account changes in the marketplace that may require more spending or allow spending less. It not only misses problems; it also misses opportunities.

For example, if a major competitor dials up its advertising spending or introduces a better product, you are wise to adjust your marketing game plan, including your spending strategy. By the time you feel the effects of the changes in customer perception on your sales, it's too late. The best marketers retain some flexibility.

Perhaps the greatest cost of a fixed budget lies in missed opportuni-

DARE TO DEVIATE

A regional accounting firm approached my ad agency with a request “to stand out from the pack.” They showed us a collection of brochures from their competitors. Each had four-color photos of people in business suits shaking hands in mahogany board rooms. Each showed hard-working multiethnic teams staring at a computer screen. Each had computer-generated charts and graphs. Each talked about partnership and integrity and blah blah blah. The brochures were virtually identical. So were the Web sites.



Our agency came up with an approach that was radically different. We created a very unexpected but logical tagline (about black ink—accounting image of profitability) and a visual idea that used only black ink on white paper. Most members of the management team wanted to reject it—it felt unprofessional to them to deviate from the industry norm. But the president prevailed.

The accounting firm then ran with the idea by making all their stationery, bills, business cards, Web site, offices, and even ink pens black and white. They threw out all their four-color materials. One year later, the president attributed their 70 percent increase in income to the campaign. The moral: don't do what everyone else is doing.

ties. If a competitor stumbles, gets bought out, or makes a mistake that harms its reputation or decreases customer satisfaction in some way, it pays to dial up your advertising to its key customers. If there is a major unexpected event that spikes demand for your product, such as a snowfall when you sell snow tires, you are crazy not to take advantage of the opportunity. The smart marketer keeps a war chest ready for such contingencies.

Or what happens if an economic downturn is followed by an upturn, which always happens? Your advertising budget has been set lower because of last year's sales and you are not in a position to take advantage of the better times.

In marketing, so many variables can affect sales, it is impossible to use the past to predict the future. Maintain a flexible strategy and an opportunistic mindset and you will prosper.

Welcome, New Players! Let's Make Some Improvements!

It's human nature to want to make your mark on something. It's human nature to believe your ideas are better than those of others. It's natural, but

human nature has destroyed many a proven and effective advertising campaign.

It is extremely difficult to create an advertising campaign that works. On average, across categories, the hardest-working campaigns actually generate about 600 percent more sales than the least effective campaigns. That is one huge competitive advantage. So you would think that busi-

nesspeople who inherit a proven advertising campaign would protect it at all costs.

But you would be wrong.

Far more typical is for the new brand manager or advertising agency or creative team to feel saddled with the old campaign. They are sure they can make it better. And so, out with the old and in with the

new. The original team members, who know about the brand, the strategy, the consumer, and the research, leave, and their knowledge and commitment to the campaign leave with them.

This is an extraordinary waste.

All the dollars of research and testing and advertising creation, all the equity built up in the minds of the consumer, all the familiarity with the brand, and all the reduced risk that a proven campaign offers—it is all thrown out the window.

This is not only bad financial management, because effective campaigns have positive effects, both short term—increased sales—and long term—increased brand equity. Customers build a feeling or belief about the brand, much as you build the equity in your home with each payment. Constant advertising change-ups are confusing and potentially damaging to the customers. Companies that change their brand managers, ad agencies, and campaigns will frequently end up with no brand equity and higher creative costs. The effect of these changes is that it causes customers to wonder about the company. What is this brand? Who are these people? What do they stand for?

SMART**MANAGING****STAY FLEXIBLE
WITH FINANCES**

Keep contingency funds available for unexpected problems and, even better, for unexpected opportunities. Or have an understanding with your management that there will be times when significant expenditure is required, such as when you launch a new brand.

Smart Marketing Mindset: The Continuous Experiment

Think of your marketing communications as a continuous research experiment with the objective of achieving the highest return on investment. This mindset will prevent you from making the four common mistakes listed above.


Take direct mail marketing as a model. Direct mail has been around for over 100 years. The beauty of direct mail is that the results can be measured, so different strategies and creative packages can be compared.

The best direct marketers are constantly testing new improved versions of the winner against the current winner. They test on a small scale, and only when they find something that performs better than the winner do they make adjustments to the new campaign and roll it out to the entire target market. This is equivalent to sticking your toe in the water to see how cold it is before you dive in. It is just plain smart.

Direct marketers also know that a great campaign can be effective for years, in some cases even decades. And they know that things change in the marketplace and that periodically a campaign needs to be refreshed or reinvented. So they constantly test new approaches on a small scale. If you use research wisely, you can apply this same *ongoing experiment model* to most of your marketing and advertising.

AVOID THE NIH SYNDROME

NIH stands for *not invented here*. Brand managers and creatives tend to throw out advertising campaigns that they did not invent, even if those campaigns are working. But if a campaign has proved effective, the wise manager and the ethical creative (writer or art director) continue the work that others have begun. Don't abandon your winners, whatever their source.



Manager's Checklist for Chapter 2

- ✓ Don't advertise only when there is a sales slump.
- ✓ Don't advertise only when a competitor increases its advertising.

- ☑ Don't base this year's budget on last year's sales. Prepare for current and future threats and opportunities.
- ☑ Don't throw out a good campaign just because it was developed by other marketers.
- ☑ Think of your marketing communications as a continuous research experiment with the objective of achieving the highest return on investment.