



dvertising

I (and most people) have a love/hate relationship with advertising. Yes, I enjoy each new Absolut vodka print ad: Where will they hide the famous bottle? And I enjoy the humor in British ads, and the risqué quality of French ads. Even some advertising jingles and melodies stick in my mind. But I don't enjoy most ads. In fact, I actively ignore them. They interrupt my thought processes. Some do worse: They irritate me.

The best ads not only are creative, they sell. Creativity alone is not enough. Advertising must be more than an art form. But the art helps. William Bernbach, former head of Doyle, Dane & Bernbach, observed: **“The facts are not enough. . . . Don't forget that Shakespeare used some pretty hackneyed plots, yet his message came through with great execution.”**

Even a great ad execution must be renewed or it will become outdated. Coca-Cola cannot continue forever with a catchphrase like “The Real Thing,” “Coke Is It,” or “I'd Like to Teach the World to Sing.” Advertising wear-out is a reality.

Advertising leaders differ on how to create an effective ad campaign. Rosser Reeves of the Ted Bates & Company advertising agency favored linking the brand directly to a single benefit, as in

2 Marketing Insights from A to Z

“R-O-L-A-I-D-S spells RELIEF.” Leo Burnett preferred to create a character that expressed the product’s benefits or personality: the Green Giant, the Pillsbury Doughboy, the Marlboro cowboy, and several other mythical personalities. The Doyle, Dane & Bernbach agency favored developing a narrative story with episodes centered on a problem and its outcome: thus a Federal Express ad shows a person worried about receiving something at the promised time who is then reassured by using FedEx’s tracking system.

The aim of advertising is not to state the facts about a product but to sell a solution or a dream. Address your advertising to the customers’ aspirations. This is what Ferrari, Tiffany, Gucci, and Ferragamo do. A Ferrari automobile delivers on three dreams: social recognition, freedom, and heroism. Remember Revlon founder Charles Revson’s remark: “In our factory, we make lipstick. In our advertising, we sell hope.”³

But the promise of dreams only makes people suspicious of advertising. They don’t believe that their selection of a particular car or perfume will make them any more attractive or interesting. Stephen Leacock, humorist and educator, took a cynical view of advertising: **“Advertising may be described as the science of arresting the human intelligence long enough to get money from it.”**

Ads primarily create product awareness, sometimes product knowledge, less often product preference, and more rarely, product purchase. That’s why advertising cannot do the job alone. Sales promotion may be needed to trigger purchase. A salesperson might be needed to elaborate on the benefits and close the sale.

What’s worse, many ads are not particularly creative. Most are not memorable. Take auto ads. The typical one shows a new car racing 100 miles an hour around mountain bends. But we don’t have mountains in Chicago. And 60 miles an hour is the speed limit. And furthermore I can’t remember which car the ad featured. Conclusion: Most ads are a waste of the companies’ money and my time.

Most ad agencies blame the lack of creativity on the client.

Clients wisely ask their agencies to come up with three ads, from mild to wild. But then the client typically settles for the mild and safe one. Thus the client plays a role in killing good advertising.

Companies should ask this question before using advertising: **Would advertising create more satisfied clients than if our company spent the same money on making a better product, improving company service, or creating stronger brand experiences?** I wish that companies would spend more money and time on designing an exceptional product, and less on trying to psychologically manipulate perceptions through expensive advertising campaigns. **The better the product, the less that has to be spent advertising it.** The best advertising is done by your satisfied customers.

The stronger your customer loyalty, the less you have to spend on advertising. First, most of your customers will come back without you doing any advertising. Second, most customers, because of their high satisfaction, are doing the advertising for you. In addition, advertising often attracts deal-prone customers who will flit in and out in search of a bargain.

There are legions of people who love advertising whether or not it works. And I don't mean those who need a commercial to provide a bathroom break from the soap opera. My late friend and mentor, Dr. Stuart Henderson Britt, passionately believed in advertising. **“Doing business without advertising is like winking at a girl in the dark. You know what you are doing, but nobody else does.”**

The advertising agency's mantra is: “Early to bed, early to rise, work like hell, advertise.”

But I still advise: Make good advertising, not bad advertising. David Ogilvy cautioned: **“Never write an advertisement which you wouldn't want your own family to read. You wouldn't tell lies to your own wife. Don't tell them to mine.”**⁴

Ogilvy chided ad makers who seek awards, not sales: **“The advertising business . . . is being pulled down by the people who**

4 Marketing Insights from A to Z

create it, who don't know how to sell anything, who have never sold anything in their lives . . . who despise selling, whose mission in life is to be clever show-offs, and con clients into giving them money to display their originality and genius.”⁵

Those who love advertising can point to many cases where it worked brilliantly: Marlboro cigarettes, Absolut vodka, Volvo automobiles. It also worked in the following cases:

- A company advertised for a security guard. The next day it was robbed.
- If you think advertising doesn't pay—we understand there are 25 mountains in Colorado higher than Pikes Peak. Can you name one?

Those against too much reliance on advertising are fond of quoting John Wanamaker of department store fame: **“I know that half the money I spend on advertising is wasted; but I can never find out which half.”**

How should you develop your advertising? You have to make decisions on the five Ms of advertising: *mission*, *message*, *media*, *money*, and *measurement*.

The ad's *mission* can be one of four: to **inform**, **persuade**, **re-mind**, or **reinforce** a purchase decision. With a new product, you want to inform and/or persuade. With an old product, like Coca-Cola, you want to remind. With some products just bought, you want to reassure the purchaser and reinforce the decision.

The *message* must communicate the brand's distinctive value in words and pictures. Any message should be tested with the target audience using a set of six questions (see box).

The *media* must be chosen for their ability to reach the target market cost-effectively. Besides the classic media of newspapers, magazines, radio, television, and billboards, there is a flurry of new media, including e-mail, faxes, telemarketers, digital magazines, in-store ad-

Advertisement Message Test

1. What is the main message you get from this ad?
2. What do you think the advertiser wants you to know, believe, or do?
3. How likely is it that this ad will influence you to undertake the implied action?
4. What works well in the ad and what works poorly?
5. How does the ad make you feel?
6. Where is the best place to reach you with this message—where would you be most likely to notice it and pay attention to it?

vertising, and advertising now popping up in skyscraper elevators and bathrooms. Media selection is becoming a major challenge.

A company works with the media department of the ad agency to define how much *reach*, *frequency*, and *impact* the ad campaign should achieve. Suppose you want your advertising campaign to deliver at least one exposure to 60 percent of the target market consisting of 1,000,000 people. This is 600,000 exposures. But you want the average person to see your ad three times during the campaign. That is 1,800,000 exposures. But it might take six exposures for the average person to notice your ad three times. Thus you need 3,600,000 exposures. And suppose you want to use a high-impact media vehicle costing \$20 per 1,000 exposures. Then the campaign should cost \$72,000 ($\$20 \times 3,600,000/1,000$). Notice that your company could use the same budget to reach more people with less frequency or to reach more people with lower-impact media vehicles. There are trade-offs among reach, frequency, and impact.

6 Marketing Insights from A to Z

Next is *money*. The *ad budget* is arrived at by pricing the reach, frequency, and impact decisions. This budget must take into account that the company has to pay for ad production and other costs.

A welcome trend would be that advertisers pay advertising agencies on a pay-for-performance basis. This would be reasonable because the agencies claim that their creative ad campaigns will increase the companies' sales. So pay the agency an 18 percent commission if sales increase, a normal 15 percent commission if sales remain the same, and a 13 percent commission with a warning if sales have fallen. Of course, the agency will say that other forces caused the drop in sales and even that the drop would have been deeper had it not been for the ad campaign.

Now for *measurement*. Ad campaigns require premeasurement and postmeasurement. Ad mock-ups can be tested for communication effectiveness using recall, recognition, or persuasion measures. Postmeasurements strive to calculate the communication or sales impact of the ad campaign. This is difficult to do, though, particularly with image ads.

For example, how can Coca-Cola measure the impact of a picture of a Coke bottle on the back page of a magazine on which the company spent \$70,000 to influence purchases? At 70 cents a bottle and 10 cents of profit per bottle, Coke would have to sell 700,000 additional bottles to cover the \$70,000 cost of the ad. I just don't believe that ad will sell 700,000 extra bottles of Coke.

Companies must try, of course, to measure results of each ad medium and vehicle. If online promotions are drawing in more prospects than TV ads, adapt your budget in favor of the former. Don't maintain a fixed allocation of your advertising budget. Move ad money into the media that are producing the best response.

One thing is certain: Advertising dollars are wasted when spent to advertise inferior or indistinct products. Pepsi-Cola spent \$100 million to launch Pepsi One, and it failed. In fact, the quickest way to kill a poor product is to advertise it. More people

will try the product sooner and tell others faster how bad or irrelevant it is.

How much should you spend on advertising? If you spend too little, you are spending too much because no one notices it. A million dollars of TV advertising will hardly be noticed. And if you spend too many millions, your profits will suffer. Most ad agencies push for a “big bang” budget and while this may be noticed, it hardly moves sales.

It is hard to measure something that can't be measured. Stan Rapp and Thomas Collins put their finger on the problem in the book *Beyond MaxiMarketing*. **“We are simply emphasizing that research often goes to great lengths to measure irrelevant things, including people’s *opinions* about advertising or their *memories* of it rather than their *actions* as a result of it.”**⁶

Will mass advertising diminish in its influence and use? I think so. People are increasingly cynical about and increasingly inattentive to advertising. One of its former major spenders, Sergio Zyman, ex-vice president of Coca-Cola, said recently, **“Advertising, as you know it, is dead.”** He then redefined advertising: **“Advertising is a lot more than just television commercials—it includes branding, packaging, celebrity spokespeople, sponsorships, publicity, customer service, the way you treat your employees, and even the way your secretary answers the phone.”**⁷ What he is really doing is defining marketing.

A major limitation of advertising is that it constitutes a monologue. As evidence, most ads do not contain a telephone number or e-mail address to enable the customer to respond. What a lost opportunity for the company to learn something from a customer! Marketing consultant Regis McKenna observed: **“We are witnessing the obsolescence of advertising. The new marketing requires a feedback loop; it is this element that is missing from the monologue of advertising.”**⁸