

Kiss Ass Marketing....Edited Preface by Bob Pritchard.

"Kick Ass Marketing" was originally released five years ago as a 9 CD Superset and sales across the world have continued to grow so in 2010 it will be finally in print.

While the world has been changing frenetically since advertising began, traditional marketers and advertisers have stuck to strategies based on four "tried and true" laws: brand awareness to create recall and drive sales, the attributes of the product, the price and satisfied customers. In fact, research shows that some 87 percent of all marketing and advertising is focused on either one or a combination of these four elements.

Yet advertising and marketing effectiveness has decreased dramatically over the past decade. In fact, Bob Kuperman, CEO of *Chiat Day*, said in *Time Magazine* that 95 percent of all advertising does not work. This research was supported by numerous other studies, including the *Levi Study* in England, all of which produced failure rates of 87-95%.

What? 95% doesn't work.... and we keep doing it????

The media environment is undergoing a revolution the likes of which has not occurred since advertising began. The so called new media of mobile, SMS, on-line, sophisticated voice-web interaction, in-game and a host of other technology driven tools, have caught most agencies and businesses flat footed adjusting to the new technology. Most agencies and their clients are complacently doing what they have been doing for over 60 years.

Let's look at Marketers' performance over the last 10 years.

- According to Harvard Business School studies, 45 out of 51 categories of businesses are commoditized, that means that the customer cannot distinguish between the various competitors except on price...a sure recipe for disaster.
- Long term success/ brand building/developing loyal customers requires long term planning YET marketers are forced into 3 month performance cycles.

Why has this happened??

Firstly, we don't take responsibility for the real elements within our portfolio.

Let's begin with a fundamental question – what is marketing???

"Marketing is every action taken by the company, or anyone who works for the company or by any other business or agency representing the company that in any way comes in contact with a client or potential client."

This includes not only advertising, PR, direct, on-line and other traditional marketing, but the performance when a potential customer walks into reception, phones the company, applies for credit, receives a delivery or a service call and so on.

Do marketers ever take responsibility and produce ROI figures for all these facets of business?? No. Even worse, in my experience very few marketers have even determined what all these customer touch points are.

Secondly, we don't talk the language of business. The business world talks in terms of investment, ROIs and yields... terms that have qualifiable values.

We still talk about reach, frequency, CPM, and hits. This is mostly absolute crap that means nothing!

Thirdly, while with today's technology we can measure everything we do, marketers are primarily unaccountable. We don't even provide measurements for the actual audience for any form of advertising, far less being able to measure the actual sales results of our efforts.

Audience size means squat, the only thing that actually counts is resultant sales. But we feel secure if 23 million people saw our advertisement. In reality, 23 million saw the program, few actually saw the advertisement and usually we have no idea who purchased as a result.

So if we can't do these tasks, it is not surprising we don't measure the results of the literally dozens of other forms of interaction between a company and its potential customers.

Fourthly, research shows the majority of marketing and advertising does not work. Marketers can't be taken seriously while the majority of the profession delivers poor performance.

So if these are the reasons, what are the causes of this malaise??

The three primary causes are that marketers:

- Have forgotten the basics of marketing
- Don't do our homework, we know too little about the potential client
- Don't measure everything we do.

Whose fault is this?

It is fairly and squarely ours....marketing and advertising people. Business has become more and more price driven due to commoditization. A price driven, commoditized industry very quickly becomes dominated by a few huge players who have purchasing power muscle. It also opens a business up to very serious attack from price advantaged web businesses.

Marketers have allowed this commoditization to happen by not focusing on differentiating ourselves from our competition. Of course, blame globalization, the highly competitive environment, the increasingly price conscious consumer and so on. But to see the real culprit, we actually need to look in the mirror.

I believe that the tragedy of all this is that there is a greater opportunity for great marketers now than at any other time. Today we have extraordinary diagnostic and communication tools.

There are three reasons for this belief.

Firstly, the changes in the media environment over the past 10 years:

- media proliferation, increased segmentation,
- more one on one communication
- media creep,
- increased content,
- time challenged public, consumer cynicism,
- increased access to information on the customer.

Secondly, the new consumers are focused on "new media" and our involvement with the potential customer needs to be challenging, interactive and multi-channelled.

Thirdly, the changes in media vehicles enable marketers:

- immediacy of performance.
- increased response,
- infallible media metrics,
- enhanced data mining opportunities,
- dialog not monolog opportunities
- dramatically lower cost of new technology communication (simple example SMS)

So there is a need for a paradigm shift in approach to marketing.

There are essentially two ways to get your message across:

- Sheer weight
This leads to price driven business and short term results.
- Communicate with Audience
This builds rapport, identifies with the customer and entertains them.

Developing this communication, becoming part of the customer's life, sharing their interests is the only way to succeed. We must build long term loyalty through equity.

Maurice Saatchi says that the death knell of advertising occurred because the digital native – those who learned the digital language as effortlessly as they learned their mother tongue – has a differently wired brain. It responds faster. It sifts out. It recalls less. Day after recall has fallen from 35% in the 1960s to less than 10% today. Today a brand needs a one word CPB (Consumer Purchasing Benefit) which will come before all actions, in all media, at all times. In each category it will be possible for only one brand to own one particular word. The challenge will be defining the characteristic, the emotion, you are trying to make your own, in just one word.

This is one word... equity!

For example, "Search" is now owned by Google, Apple owns "Innovation", Royal Bank of Scotland own "Action", Britain's Labor Party won three elections with "New", America's one word equity is "Freedom".

One word equity is the most priceless asset in the new world of new technologies. Of the 750,000 words in the English language, which word is yours?

What most marketers describe as "Cutting Edge" is not cutting edge at all. Cutting edge is not more inventive stunts, creative ideas, better copywriting, more testing. These are the basic minimums today of any marketing.

Today we need to consistently build customer relationship data mining and multi channel approaches that continuously:

- enhance knowledge of the potential customer.
- increase the dialog between the advertiser and the consumer,
- improve the lifestyle connection.
- build a bridge in every communication between the emotional desire to buy trigger and the pragmatic 'show me the data as it applies to me' purchase decider

This is true whether using traditional vehicles - such as print, radio, TV, outdoor etc or the so called new media.

The future of communication.

As key product and service offerings become similar and response times to market change become shorter, not enough direct marketers are using their skills to identify the communication channels that are having the most effect on influencing customer acquisition, buyer behavior or decision making, customer loyalty and retention. Even fewer are providing 'advice', education and specific instance comparisons tailored to specific customers, as opposed to 'hitting them with yet another creative message'.

There is nothing wrong with any of the traditional communication vehicles we are using as a conduit for the marketing message, each has their own applications in which they are effective to varying degrees.

The first problem is the selection of the communication vehicle mix. Too little emphasis is put on selecting the correct vehicle to cost effectively impact and motivate the target market to buy. This is in large part due to the lack of effective measuring systems being implemented.

The second problem is the message being conveyed.

Most businesses are driven by their company and their product. So are the messages they use to try to communicate with potential customers.

Businesses do not seem to realize that the customer doesn't give a damn about them or, in reality, their products or service. The customer only cares about solving his or her own problems or issues.

Yet how many companies are truly customer centric? I believe that it is less than 1%. Research shows that the public believe the level of customer service is at an all time low. This is despite the daily mantra of service, service, service chanted by corporate executives around the world.

There almost a total disconnect with the marketers that keep talking about long term relationships, about understanding customers, about knowing customers past and present needs, trying to anticipate their future needs, about customization, about developing a long term sustainable advantage. Why don't marketers understand that this stuff takes both time and money?

Why have we screwed it up so badly?

There are four elements that are not important in marketing today. These are product, the price, brand awareness and satisfied customers, the four pillars which the industry has used as the cornerstones of its very foundation.

None of these are worth a damn in today's information driven, increasingly competitive marketplace with its proliferation of communication vehicles, increased media clutter, customer skepticism and overload.

None of these four elements have a relevance to today's customer; none of them cause a company-potential customer connection. God forbid marketers should look in the mirror or take stock of the fact that the world has changed from being supply and demand driven to being demand and supply driven.

Let's look at price, product, brand awareness and satisfied customers.

Price is only a purchase motivator if you have not established a perceived value/cost differential that is superior to your competitors. This is not an issue of price but one of customer benefit differentiation. Focus on price erodes your value/cost equation.

Ninety two percent of consumers, and a similar percentage of business buyers, see 'like' products as interchangeable. Even if you do have a unique product, it is only a matter of time before it is copied. So the business that does the best job of understanding the customer and their needs and selling the solution to the customer's problem will get the business. Forget the product, it is simply a tool.

Brand awareness may have been effective 15 years ago but today's average consumer/customer sees at least 1700 to 3000 advertisements a day. Research clearly demonstrates that 24 hours later the average consumer can recall only two! What is the likelihood of your message being one of the two recalled? Of course, just because they were recalled doesn't mean that they made a positive impression sufficient to have the potential customer buy your product or switch brands. That is a different scenario altogether.

Brand awareness today is bullshit. A study of 2000 consumers at the *University of Iowa* showed no correlation between the messages they are exposed to and their purchases. In fact, none of the studies I have seen in the last 10 years have been able to show any correlation between brand awareness and sales. Only Brand Equity will drive sales

Satisfied customers are also not worth a damn for repeat business. When a person buys a product or service they are entitled to good service, it is their right, which is what they are paying for. They are also entitled to good products, good range, guarantees, excellent customer service, quality information and so on. You will never build customer loyalty and the increased profitability and decreased marketing costs that word of mouth provides, by giving people simply what they are entitled to.

Focusing on product, price, customer satisfaction and brand awareness just doesn't cut it anymore.

Let me ask you some questions -

- Do you fully understand the DNA of your existing customers?
- How about your potential customers?
- Can you tell me the ROI of the last three campaigns you did for a specific customer and how much this analysis improved each subsequent program as they were rolled out?
- How sophisticated are your campaign measurement tools?
- How inventive is your 'in-program' data capture? Do not tell me "our systems will not accommodate this type of analysis". Without it you are cheating yourself, your client and setting yourself up to lose the account.