

FORUM

Today's only leg up is consumer data

So why is research so often cut back?

By Bob Lauterborn

Does this scenario sound familiar to you? We're given our company-out marketing objectives; now we need to devise a marketplace-in strategy. So we propose to study the customers and prospects whose behavior we need to affect in order to achieve the desired results. We want to know who they are, how and where they buy, and most important, why. We want to understand what they need to hear before they act, so we'll know what to say. Sounds reasonable, doesn't it? Until we present the budget and hear: "We can't afford it."

There goes the market research budget—especially the primary qualitative part that helps us really understand people. So we jump right to creative (after all, we already know what we want to say, don't we?).

Why is it that the ceo readily agrees to buy machinery to improve manufacturing productivity, but balks at spending money on research to improve marketing productivity? Because he or she perceives the first as an investment and research as a cost.

Maybe we've never made the case very well.

Here it is: The only sustainable source of competitive advantage in the 1990s and beyond is superior knowledge of the customer or prospect.

B.C. (before computers), many companies thought their competitive advantage was technological superiority. When they invented a product, they expected to have something like seven years to harvest a return.

Today, as folks in Silicon Valley know, "If it's on the market, it's obsolete." Com-

petitors catch up in months, not years. Maybe weeks. What does that do to the yield on investments in manufacturing productivity, which may require years to pay out?

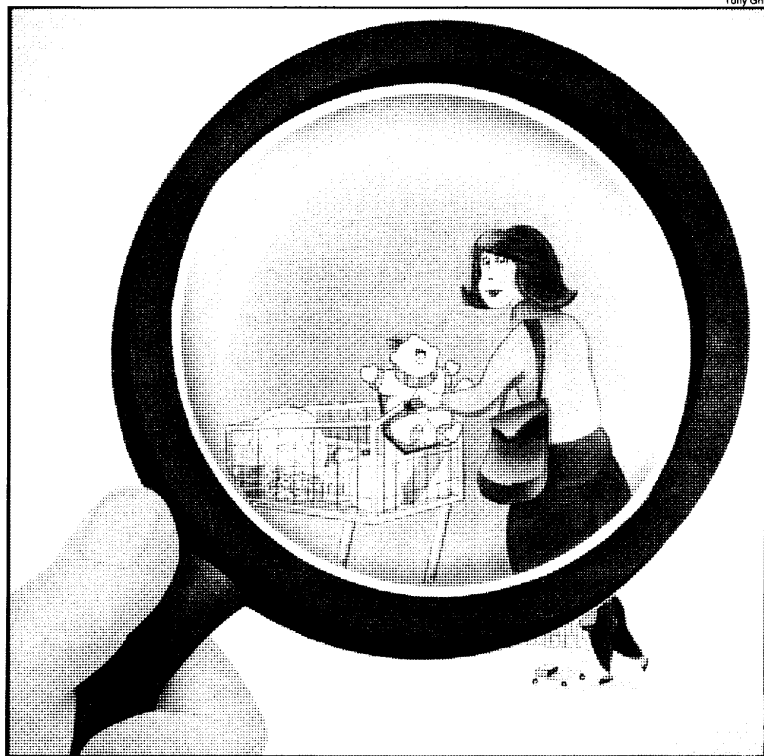
Other companies relied on proprietary marketing skills for competitive advantage. They devised innovative planning methods, training systems, distribution efficiencies, promotional ideas. Today there are no secrets. Who doesn't know how to write a four-page Procter & Gamble marketing plan? And where can you hide to test a marketing program? Sioux Falls? Everything you're doing will be public knowledge by nightfall. Consultants will have scoped out your program, detailed your methods, projected the results and sold the information to your competitors before you've even made your presentation to the board. So nobody can maintain a marketing cleverness edge for long, either.

What's a poor marketer to do?

Invest in the only sustainable source of competitive advantage left to us: superior knowledge of the customer. Not just names and addresses and job titles or simplistic psychographic clustering but a genuine understanding of buyer behavior and its logical, psychological and emotional underpinnings.

Think about it. Competitors can't copy what they can't see. And they can't see into your database.

Sure, they can copy bits and pieces of your integrated marketing communication executions; but they don't know exactly who you're talking to and, more important, they don't know what you know about those people that makes what you're doing work.



Tony Giff

By the time they can guess, even if they're right, you've planted your flag at the top of the positioning hill at a much lower marketing cost than they'll face if they want to dislodge you.

That's how an investment in customer insight pays off. It increases marketing productivity, lowers marketing costs and accelerates the return on marketing investment.

Substitute "capital equipment" for customer insight and "manufacturing" for marketing and it's exactly the same argument our friends on the factory floor have made successfully for 40 years.

The ceo understands that language, but

few of us use it.

New pressure for accountability says it's time we learned how to argue more effectively for the resources we need to do our jobs better.

Research to build an insightful customer database is not only a good investment, it's no longer an option for marketers who want to survive into the 21st century. □

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PSAs can make a difference, but it takes time

By Ruth A. Wooden

The good news on the subject of *Ad Age's* recent editorial, "Why PSA causes falter" (AA, Jan. 24), is that so many of them don't falter.

Public service advertising campaigns have been successful in periods of both calm and turmoil for many years. The Advertising Council has much evidence to support your statement that "steady commitment to a powerful campaign pays off."

Sure, the message gains extra impact and the media run the ads more frequently for a while when the issue is of current concern, like the new Centers for Disease Control campaign against AIDS.

But the mission of public service advertising is not to be talked about. It is to be acted upon. In fact, much of the argument over a campaign like the CDC's by people it doesn't target dilutes the power of its call to action by people it's designed to help.

The triumphs of public service advertising have been achieved gradually, over time. With few exceptions, in our experience, the issues that PSA address are not short term. Those short-term exceptions:

specific disaster relief or the kind of campaign that took Drs. Salk and Sabin's achievements to the public and helped conquer polio. But even here, another disaster or disease is bound to surface.

In its editorial, *Ad Age* rues, "Too bad we in the media haven't figured out ways to help fight more than one war at a time."

Well, you have.

It's just that some of them are less salient and less glamorous than other battles that are on the front page or the nightly news shows for three days, only to be replaced by another hot news story.

The United Negro College Fund is only rarely on the front page of the newspaper. The 20-year increase of more than 800% in fund-raising came from ongoing, day in, day out organized fund-raising efforts with great advertising leading the way.

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Some years the advertising was better than others. Some years the media gave a lot of donated space and time, other years less; many ads run in less than perfect dayparts or less than perfect adjacencies. But give them time, frequency and consistency and *they will work*.

No other groups rival in power and resources the forces of advertising and media to affect actions against social ills. And what is being achieved—while not enough—is still astonishing. It's not a matter of hitting hard on one disease or the evils of violence, ignorance and prejudice and then moving on to the next emergency. Social problems aren't special events.

We used to think differently. When the Ad Council got going on peacetime issues back in the 1950s, its leaders organized procedures to manage what they called the "Sunset Effect." That was based on the theory that a blitz of advertising could be expected to make a problem go away pretty quickly. So the proviso was that no campaign issue could be addressed for more than three years, with only a rarely-to-be-granted exception. After three years the first wave of six campaigns came up for review. Only one,

on relief of a temporary famine in the Balkans, failed to be renewed.

The advertising community has a realistic appreciation for the magic its creative minds and media muscle can achieve when applied to social problems.

But it isn't quick. It isn't easy. James Webb Young, who first articulated the Ad Council idea back in 1941, later said he'd become convinced that "it takes more cunning to do good than to do evil."

PSAs falter for a number of reasons: lack of impact, relevance, courage or clarity, from wallowing in the problem rather than steering the public toward a solution and, of course, too little media. Many falter because they address situations where advertising and the individual choices it affects can't make much difference.

When focused, sharp, lively and applied for the long pull, PSAs have power beyond expectations to make a measurable difference in life—with or without crisis and clamor. □

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