

Marketing Payback: Greenbacks or Black Holes?

The beauty of being a consumer in the United States is that there are lots of choices; it is *always* a buyer's market. The downside is that way too many companies will lie or embellish, evade or omit, promise or guarantee, etc., to garner attention, to steer buyers to their wares. Implied life-improving benefits and the concept of "Happy for the Foreseeable Future" still drive sales even in the face of well-known small print disclaimers such as "results not typical" at the bottom of your screen during a diet commercial.

Yet these tactics do not endear buyers after the sale. People with short-term satisfaction are short-term clients. The pursuit of new clients as an alternative to building loyalty among those who've already joined your ranks is only a good strategy for one-time products like the Pet Rock. Plus, it costs more to find new buyers. If your company wants to grow, it must enthrall its existing customers for more.

Word-of-mouth testimonials trump advertising every time. Hearing of a great experience even from a stranger (such as those on QVC) is more compelling than a \$100 million advertising spot, even if it did occur under a beer-and-wing-induced haze during the Super Bowl in which your team won.

Here's the funny thing: nothing in the above three paragraphs is news to anybody. But it keeps on occurring! Hello, Leaders: **YOU ARE WASTING PRECIOUS MONEY!**

Sure advertising is good. But it has a purpose, and unfortunately, there is no code of ethics for it. Really good advertising tells stories that reach people in ways that make them believe it's possible to live that story by buying. Finding that gem—a well-priced value that delivers satisfaction for the long term—is the pursuit of most consumers, regardless of income level. Companies that overlook this approach are flushing currency down the crapper. Having entertaining ads does not equate to sales.

We love commercials that feature clever or cute animals. But we haven't bought a single one of the products promoted by puppies and kittens. As for the companies spending millions on them, assuming Americans will buy any poop they present, we think they need potty training.

The reason we are offended by the wanton

waste in big business is that economic downturns too often result in expense-reduction activities of essential things like internal communications, which includes training. Or worse, workforce reductions. We have never understood why training is considered a non-compulsory endeavor. What message does this send? That learning to do one's job even better is only important during good times? That the people now being laid off did not perform necessary work after all? We find this particularly egregious when these same companies continue to produce pricey brochures, ignore their existing clients and continue to advertise as if nothing happened.

"The problem is that if you are like most companies, all of that spending will result in a negative return on investment. Your marketing will cost you more profits than it brings in."

This is the central point of the book, *Your Marketing Sucks.*, by Mark Stevens (Three Rivers Press, 2003). Through case studies based on actual results, the reader is reminded of realities that condemn traditional marketing and advertising practices. Truly, most people already knew these things, but have been lulled into thinking "Well, the marketing experts must certainly know more than me ..." The author points out, "If you watched TV last night, you saw at least 5 car ads. Can you name all five? Can you name *one*?"

Stevens is a real-life businessman, not a university researcher. He is the president of MSCO, one of the leading experts in ROI-based marketing and the creator of the Extreme Marketing process. A Clio award, the (ad) industry's version of the Oscar, does not increase market share except for the agencies that win them, he points out. Take his 5-question diagnostic test to determine the profit-effectiveness of your firm's marketing. The first question is, "Do sales rise every time you advertise?"

The book lays out the means by which his clients can **earn more than a dollar for every dollar spent on marketing.**

Bestselling author Seth Godin zeroes in on profit-making by instructing marketers on advertising techniques such as storytelling—not necessarily the BS type—but in telling people a story they want to live. In his book, *All Marketers are Liars*



(Portfolio, 2005) he tells how Baby Einstein, a division of Disney, sold more than \$150 million worth of videos for newborns and infants... "providing a virtually useless product to women who wanted to hear a story that matched their worldview." Similarly, Fiji water, he cites, is one of the best-selling brands of bottled water, even though it is one of the most expensive. "Is it because it tastes much better or is more nutritious? Nope. Fiji is a winner because of the story the bottle tells."

Getting marketing right is not easy: like learning to golf, getting better never ends. In our research, two resounding realities were evident: people need to be reached in a way they live, and they will buy again if trust was established in the form of satisfaction with the first purchase. Makes sense to us—spend to gain, not to use up budget.

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It is good to be nice, but not at the expense of being good. Whereas **nice** is being pleasant and agreeable, or mannerly and showing sensitive discernment, good is better. Being given a head of lettuce is nice. Being served a salad is good.

Good: of high quality; discriminating. Having the qualities that are desirable or distinguishing in a particular thing. Not spoiled or ruined. Worthy of respect; honorable, competent and skilled. Complete; thorough. Serving the desired purpose or end; reliable, sure, genuine and real.

Think about it this way: it is nice to have hair. But on its own, it does not make for a good hair day. **Effort is involved.**

Likewise, it is nice to have people who do their jobs according to tradition, but it is really good to have people who are open to better and more efficient ways to get it done. Nice is meeting a goal but good is making a difference that can make goals easier to achieve or exceed. **Nice can often be faked: good cannot,** because it involves **positive action**.

A consultant friend of ours described a frustrating experience with a Procurement Coordinator at a Fortune 500 company. This person, whom we'll

call Mr. Pro, was responsible for handling all tasks related to purchasing supplies and equipment. He had been around a long time, was well known for his prickly personality, but had his job down cold. He had never been encouraged to try new things or venture outside of the rather dated box of rules by which he operated.

Our friend was appointed to manage an important initiative for his client that involved interviewing software vendors and developers. Mr. Pro, however, forbid the consultant from making the appointments directly with prospective firm representatives, insisting it was his job to do so.

Whereas our friend could have made one call to each company to set the appointments, he was obliged to call Mr. Pro, who then contacted the vendors, and then instructed them to call our consultant friend. This took a *minimum* of 2 extra calls, scheduling hassles,

needless wait time and made no sense whatsoever.

Later, once his client had selected the final three providers and contracts were signed, a meeting of all parties was held. Mr. Pro was out of the picture, since his work was done. However, questions arose in the meeting about company policies that prompted our friend to contact Mr. Pro for answers. They were important questions that needed a quick response.

With customary pettiness, Mr. Pro admonished our friend and told him he should have told the vendors to contact him directly. "But", our friend asked, "why would three different people have to call you when I can get the information to them all at one time?"

"Because it's *my job*", Mr. Pro insisted.

It may be nice that Mr. Pro doggedly follows tired policies and procedures. But it is not good.
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The Difference Between Nice and Good

BIG DESK / LITTLE CUBE:

(a look at the varied perspectives of managers and employees)

The New Hire

Interestingly and perhaps counterproductively, The New Hire is seldom welcomed with open arms and open minds. Like juries, we tend to sit back and watch the "testimony" that is The New Hire's actions, words, and style, although usually with a slant toward "guilty until proven good". In part, this is due to the fact that The New Hire makes extra work of the "in" kind: informing, indoctrinating, introducing, incorporating, etc. If he or she does not quickly show promise, the level of investment, in the time and interest of those charged with his or her transition to independence, wanes.

The degree of skepticism accorded The New Hire correlates directly to those who came before and failed to wow co-workers and yet were

allowed to linger. This becomes even more complicated when The New Hire wants to make changes that affect the very people whose workloads were affected by his or her arrival. Disengagement occurs, and The New Hire becomes a spectator event—all watch and wait to see if tradition prevails over change; whether the quirks and foibles of The New Hire are accepted or rejected.

Almost always, the staff with daily exposure to The New Hire's potential, or lack thereof, have decided long before Management whether The New Hire will make it. There is sport in the form of office pools regarding how long it will take Management to embrace or eject The New Hire; until a decision is rendered, nobody is going to change anything.

This is where passivity in Management is destructive and costly. Managers cannot use a "Hire and Hope" strategy. The New Hire is not a box checked off from the To Do List, but is a whole new To Do List.

Little Cube Dwellers:

It is good to remember how it felt when you were The New Hire and try to avoid the treat-

ment that alienated you in the beginning. We understand you have paid your dues, and as a member of the "In" crowd now, have earned some of the heady power that comes with that.

Here's where you can really help your company. Give The New Hire a chance, but if you see disturbing behavior or have legitimate concerns over his or her work quality, address them. It is your duty to report these to your boss, who has to keep her eyeballs on lots of people at one time and doesn't have the first-hand perspective that you have. But, you must be fair. After all, if The New Hire gets the ax and you applied for the job in the first place, you just may get your opportunity: but only if you have acted ethically.

BIG DESK PEOPLE

Your due diligence did not stop with the round of interviews and the consensus decision that landed The New Hire in your company. It just began. This is especially true if you awarded the position to an outsider over interested internal candidates whose interest has since shifted to finding fault with your decision.

Do not wait for the 90-day honeymoon to elapse if indicators during week one are screaming BAD DECISION! Three weeks is sufficient, in most cases, to know if The New Hire will be a valued addition. Waiting only irritates everyone and creates a larger backlog. Be decisive. The best managers can admit a mistake and move on. The worst ones keep waiting for miracles or The New Hire's resignation. **Ostrich Management never works.**
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Light Touches

Service Extras That Linger Long After the Experience

Hearing the news that a loved one has been diagnosed with a serious illness is distressing. In our case, a cherished sister-in-law recently learned she had a rare form of cancer and that surgery is not an option.

This incredibly compassionate, quiet, calm, unassuming, loving wife and mother of 10 (yes, 10) dealt with the news with her usual optimism. She amazed her doctors and nurses with her uncomplaining grace while undergoing painful procedures and grim news. The family, understandably, was shaken; she's the rock, the core, and the inspiration of goodness among them.

That was when we learned about Caring-Bridge. This nonprofit organization provides the technical structure and support to establish customized websites—within their website—for free. It allows family and friends to remain apprised of her progress and provides a method for all to communicate their prayers, wishes and encouragement. As you can imagine, with 10 kids, numerous friends and *their* spouses and friends, using the telephone to

stay in touch is not the best option.

CaringBridge.org has developed this marvelous way to stay connected without costing anybody anything. The organization is funded by donations. The website established expressly for the individual is easy to set up and is available only by invitation from the party who established it. It provides a format for the author to publish a journal of highs and lows; news and views; hopes and triumphs.

Well wishers can express their thoughts directly and can choose to suppress their messages from viewing by any other than the loved one for whom the website was created. Pictures can be posted. In just two weeks since this particular site was established for our sister-in-law, 602 visits/messages were sent.

"Free, personalized websites that support and connect loved ones during critical illness, treatment and recovery." That's what Caring-Bridge does. It feels really good.

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We used to think of TV, magazine, radio and mail ads as giant pains in the kiester. But we have since found interest in drawing lessons or ideas from what we see and hear. Because marketing and advertising are hard to avoid, we decided to stop railing about their ubiquitousness and derive some enjoyment from their existence. We saw some good and bad, but vow to NOT buy if the product or service being touted:

- 1) Insults our intelligence
- 2) Brings B.S. to new heights
- 3) Fails to disclose truths or misrepresents
- 4) Contains errors, omissions, oversights
- 5) Is overly complicated or confusing
- 6) Is unconvincing or seems unpleasant

The Coco's chain of coffee shops has a person purporting to be an Executive Chef who confides to the audience that their special prime rib is "hand-carved." How the hell else would it be cut? With a table saw?

Caveman and gecko ads for GEICO made little sense from the standpoint that neither drive. Men tended to like the cavemen and women, the gecko. GEICO, in our research, has

achieved top ratings across several consumer and industry indexes, but the reasons are its processes and service. Word of mouth and positive media drive their new clients and investors. Cavemen and geckos only serve as name recognition.

Coors goofed some years back when it translated it's English slogan, "Turn it loose" into Spanish, where it was read as "Suffer from diarrhea." Similarly, the Swedish vacuum manufacturer Electrolux failed to impress American buyers with its slogan, "Nothing sucks like an Electrolux."

While recently driving to a client's location, we were almost hit by a reckless speeder who weaved his truck in and out of traffic, causing a few hand gestures and at least one more near-collision. The truck bore the logo of the national building company, Pankow. The motto on the side panel and rear of the truck said, "Safety doesn't happen by accident."

The latest thing in health food products is something that contains "probiotics" (these supposedly reduce bodily toxins with mouth-watering ingredients such as bacteria and yeast). One such product is Yakult. We don't know about you, but we're not drinking something that starts, phonetically, with, "YUCK."

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Bright Ideas

Worth Consideration

YOU COULD *GET* a WINNER...

Recently laid up due to surgery on the old gams, our activities were diminished to things that could only be done while the legs were elevated (get your mind out of the gutter). These included titillating endeavors such as looking for typos on credit card privacy notices, talking on the phone with call center robots and watching presidential debates on the tube. Then we discovered the Publisher's Clearing House Sweepstakes.

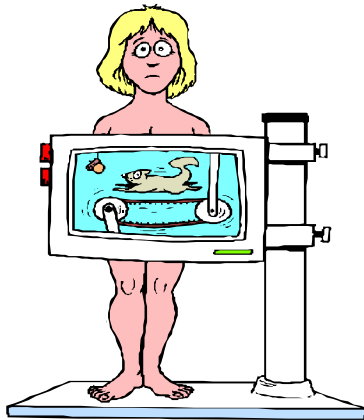
A true test of mettle, this turned out to be a logic quiz involving paying attention, following instructions, seeking/finding, affixing and completing. Not usually given to games of chance that promise unlikely riches, especially when those nosy Prize Patrol people set out to catch winners emerging from their front door without all of their teeth or clothes in place, we nonetheless took up the challenge.

It was surprising to experience the challenge of finding the correct sticker to place in the correct circle on the proper form amid a pile of paper soliciting enough magazines to fill a million doctors' waiting rooms. Too, there were early deadlines with extra incentives, final deadlines and veiled threats of loss due to non-response.

What did we get out of it? The idea it would make a great pre-employment test for an interviewee. If a candidate could navigate through all of the junk to find the nuggets and accurately complete the submission paperwork in a quick manner, you would be sure you have someone who actually thinks, reasons, complies, and is motivated to complete a task.

Of course, you could also hand him or her a copy of your policy manual; allow 15 minutes of study and then ask for an on-the-spot essay or multiple choice test. We think this is much more fun.

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LOST: The Sales Opportunity

Just when we aren't sure what to write about to benefit professional people and consumers, something happens that must be told. Just prior to this writing, we were at our local Wells Fargo Bank branch, making some changes to our accounts. This involved a daunting amount of paperwork prepared by a two-fingered typist (let's clarify for a moment—he was not lacking two hands full of digits; he just used 20%, with little efficiency, to type) whose name we will not disclose because he admitted to us he took the job there for something to do until he can decide what will be more interesting.

While he toiled over the input, we were left sitting there, idle, for 45 minutes. This is difficult for us TDL (To Do List) types. So, we got up and wandered around the branch to gather marketing intelligence and observe the behaviors of the employees.

We picked up a brochure all about bond investing. It was extremely well written for the novice investor—among the best we have seen. We sat

Insider Insights
Thoughts and Information We Felt Like Sharing

there reading it, from cover to cover, and even remarked on its quality to our Financial Services Representative. He issued something that sounded the equivalent of an appreciative grunt, and kept on plinking away. Granted, he wasn't an investment advisor or registered rep, but his job does involve sales. So we mentioned we'd been bankers for lots of years and have been self employed for the last 10; that we were always looking for ways to save for retirement or increase our assets. Monosyllabic mumble #2 ensued.

We perused the catalogue of check styles. We made a couple of calls on the cell and were tempted to order pizza even though it was still breakfast time. We wandered some more, reading the posters promoting business products and studying the materials in their take-one racks promising the peace of mind achieved only through reverse mortgages. We were courteously greeted by no less than three other customer-less salespeople; none of whom ventured to tap the sales opportunity we were. We even tried looking lost and rich. Nada. Zip.

Our bank held us as prisoners of their paperwork for the better part of an hour and, despite blatant clues, offered nothing. We watched the Premier Banker go out twice for a smoke. We saw three salespeople huddled around a monitor laughing at what they saw thereon. The Investment guy seemed to be busy on the phone and the Banker next to us helped the only other customer who'd come in during our whole stay. Nice, maybe, but not good.

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Beacon Bits

Quotations to cast rays of humanity across everyday business life

True friends stab you in the front.
- Oscar Wilde (1854—1900)

He who stops being better stops being good.
- Oliver Cromwell

Many thanks to our colleague Marie Stein, who contributed the following:
It must be considered that there is nothing more difficult to carry out, nor more doubtful of success, nor dangerous to handle, than to initiate a new order of things. For the reformer has enemies and only lukewarm defenders. He must confront the disbelief of mankind, who do not truly believe in anything new until they actually experience it.
- Niccolo Machiavelli (1469—1527)

Last Laughs:
Telemarketer & Junk Mail
Revenge

Thanks to Sally Villacorta for reminding us with an email that there are ways to express our opinions about the onslaught of telephone calls and mail we don't want:

When receiving a call from a telemarketer, there are three little words to use. Once the script-reader comes on the line, simply say "Hold on, please" and walk away from the phone—without hanging up. After a

while, you'll hear your phone beep, signaling the broken connection, and you can hang up.

Sometimes, companies use auto-dialers to record the time of day when a person answers the phone so that real telemarketers can use the information to increase their chances of reaching someone at home. When the phone rings and nobody is there, immediately begin hitting the # button on the phone as quickly as possible. It is rumored that this will confuse the auto-call system and kick out your number.

Lastly, start saving those solicitations that are liberally stuffed in your bills and statements. Same for flyers and other folderol that clogs your mailbox and doorstep. Using the postage paid envelopes that come with credit card soli-

tations, forward them to the credit card and mortgage lenders. Even Andy Rooney sends ads for chimney sweeps to American Express, or pizza coupons to Citibank. They have to pay the postage for the mail you send back, so maybe they'll get the message....

