

On coupons and reinventing your product

Clipping coupons is a sometimes denigrated activity which nonetheless helps thousands of Americans keep to their grocery budgets. In this sense, coupons play a significant role in marketing communications. Many people buy the product for which they can get the best price, and coupons (especially in stores that double their face value) can help lower prices. So, for example, if you are shopping for detergent, and you have a 50-cent coupon for Tide and a 75-cent coupon for Purex, you may decide to buy Purex, either as a trial or because it will be cheaper.

Manufacturers also use coupons to introduce products and to stimulate sales. And, often, I think, they use coupons to experiment with campaigns. After all, coupons are traceable. You can gauge if something is working just by the number of coupons that are redeemed.

Today I saw an interesting juxtaposition of coupons for Palmolive Dishwashing Liquid. One was for traditional Palmolive (you know, the green stuff that claims to save your hands from the harshness of doing dishes) and for "New Palmolive Pure + Clear." This new product claims to have no unnecessary chemicals, no heavy fragrances, non-irritating dyes and no harmful residue on dishes." This is from the same people who manufacture the other Palmolive. Are they saying that regular Palmolive has unnecessary chemicals, irritating dyes and leaves harmful residue???? Do you see how this is dangerous for the Palmolive brand? Although I applaud them for their new product I think that this where branding can be defeated. If you introduce a new product that in a sense contradicts your existing product, you should use a different brand, right? Or, is the thought process that the brand is strong and now they can provide an alternative for people

looking for a less chemically harsh dish liquid? Will this lead eventually to a complete change in the Palmolive brand? I really wonder. Also, do people think about the ads or do they just take it at face value?

What do you think?

What kind of political ad works best?

We've seen lots of mud-slinging via commercial during this year's presidential election. Negative ads work to some extent or they wouldn't be used. However, this morning, I saw Barack Obama's newest commercial. It is all about his economic plan, and he is on camera and talking for all of it. I think it was effective—he laid out his principles and what he wants to do for the American people, and of course, he dealt with the hottest topic du jour, the economy. It made him look serious and proactive. Let's see what McCain responds with. In a way, I think Obama is trying to look presidential to counteract McCain's grandstanding of these past two days.

On seizing opportunity and speaking diplomatically

We are in the middle of rough times economically and politically in the United States. We have to deal with real

economic worries, chiefly about the safety of our money within the banking system. So, now, what used to be a footnote on all bank ads, has become a selling opportunity: the FDIC logo. All banks want to reassure their customers that the FDIC backs their assets. Some banks have increased the size of FDIC logo and others such as Schwab are using it during commercials on TV. Schwab clearly created their newest campaign to reassure its clients that their assets are safe. Another banking opportunity seems to be the CD. You may have noticed that more banks are advertising their CDs, with their "higher" APYs. Today's Washington Post featured ads for both Commercial Bank and Wachovia CDs. Again, these are FDIC insured and promise "real" returns, unlike the volatile stock market.

A couple of days ago I saw Laura Bush being interviewed by CNN. This woman can teach everyone how to speak, convincingly and politely. She is a real pro! The interviewer asked if Mrs. Bush thought that Gov Palin had enough foreign policy experience. Mrs. Bush said no, she didn't because it wasn't her role. She also said she was excited to be able to vote for a woman on a Republican ticket. I can't do Laura Bush justice by paraphrasing her, but I can assure you she answered the questions, not with obfuscation (as Sarah Palin does) but with tact and diplomacy. She knows how to communicate assuredness. She is calm and can stick to talking points without sounding like she is sticking to talking points. Overall, I think she is the best thing in the Republican party.

Will it play in Peoria?

It used to be that the primary concern for advertisers was whether their ad "would play in Peoria," shorthand for would middle America like it. More and more we are seeing ads that

don't play in Peoria or anywhere else than the ultra chic world of Manhattan advertising agencies. Microsoft is a case in point. The company is now withdrawing its weird Bill Gates-Jerry Seinfeld ads after only two weeks. The ads were just too strange and didn't get across their point. Unfortunately, this is not the only case, nor will it be the last. Now, I am all in favor of "pushing the envelope" creatively and approaching things differently, but ultimately, the target audience has to appreciate the ad or else it is literally missing its target.

This morning, I was watching the news and they were talking about what to do during this financial mess. One of the advisers recommended holding off on any big purchases such as real estate and hanging on tight to any money. Not sure if I agree, but I know that mortgages are hard to get right now. Not five minutes later during commercial break, Coldwell Banker had an ad for its services, ENCOURAGING people to buy now BECAUSE of the economic climate. Huh? Dissonance!!!! I thought to myself, are these advertisers really thinking that people will be buying during this type of economic crisis? Is this another case of not taking Peoria into consideration?

Update on Microsoft: Here's a story from Newsweek about how Microsoft is failing to shine Vista's reputation.

Customer communications in an unstable era

As we saw yesterday, we are officially in a era of market volatility and our financial institutions are in freefall. I am speaking of course of the 500 point drop the Dow experienced due in no small part to the Lehman Brothers

failure and the Bank of America buyout of Merrill Lynch. This has spawned talk of the security of regular deposits at commercial banks and the Fed's ability to actually insure this money. At the same time, oil prices fell below \$100 because investors fear a drop in demand. OK. Are we economically unstable? YES. Are the fundamentals of our economy as strong as John McCain thinks they are? I don't think so.

In this steadily worrisome environment, United Airlines announced that it will raise the price of a second checked bag to \$50, affecting one in seven of their customers. The company continues to claim that the rising price of oil has forced it to continue to squeeze its customers. This comes after United scrapped a plan to provide only cold meals, for purchase, on international flights. Now, I am not a United frequent flyer, or an investor, so I did not receive a communique from the company. The news media reported these changes and all I can say is, I am not inclined to fly United, ever. These fees and changes are being reported but they don't seem to be creating a public relations problem for United. But they should. A company that continues to increase its fees to its customers is not doing enough to examine if it operates efficiently. On the other hand, Southwest Airlines has seen an opening here and has a very clever commercial that tallies the additional fees other airlines are charging and compares it to its non-additional fee fare. Who do you think wins?

This brings me to banking. As mentioned above, there may be real worries relating to the safety of your deposits. Today, I received a email from ING Direct, the online bank where I have an account, thanking me for my business and continued trust. The email assures me that my deposit is safe and that ING is not engaging in selling off loans etc, like Lehman and Merrill did (that is subtext). In any case, this is smart customer communications. Talk about a problem and show how you are dealing with it. I think it is smarter than what United seems to be doing—talking about a problem that affect the

company and NOT assuring customers but rather using them as additional piggy banks. What successful companies know is that customers are the reason they exist. Without customers, there is no business. Alienating customers is never a good policy!

Bottom line: kudos to ING Direct for its direct (albeit somewhat self-serving) communication and thumbs-down to United to continuing to raise the bar on fees to customers, and announcing it via press release.

Another advertising what?!?! moment

Much like the Coke-Pepsi taste wars, Microsoft is vying with Apple to be the taste of a new generation. You've probably seen the Apple commercials showcasing the young Justin (standing in for Mac) and the old man (standing in for PC). PC is so out of touch, so many problems while Mac is just a breeze. Somehow, PCs are still in the majority... But Microsoft is pulling out all the stops—they hired Jerry Seinfeld and Bill Gates to shill the MS Operating System. Seriously. And I caught part of the TV commercial yesterday, and all I can say is what the??? It didn't make sense, it was dumb and a complete waste of Jerry Seinfeld's comedic talents. And Bill Gates is going to convince me Microsoft is better than Mac? We know he thinks its better—he made millions off it (or is it billions?). Bottom line, the ads are just not as hip as the Apple ads.

When ads annoy

I had the radio on to my favorite rock station and suddenly, I was exposed to one of the most annoying radio commercials I have ever heard. The main “character” was a woman jabbering on about her free trip she got from getting an oil change. She kept going on and on in the world’s most annoying voice. It was a one sided conversation, as if we were overhearing her on the telephone. Surely, one of the most annoying things in life is to be forced to listen to a one-sided phone conversation at inordinate volume.

In sum, I had to turn the radio off. If I hear the hint of this commercial again I will switch stations. Yuck!!!!

Have you ever had that happen? When you can’t stand a certain ad? Well, of course, not every ad is universally accepted and liked, but I am sure certain ones get on lots of people’s very last nerve. And that creates backlash. You refuse to patronize the establishment, purchase the service or the product. And you do what I am doing now—complain about it.

Ads should not annoy—in my opinion, it is not a good tactic. Cajole, tempt, demonstrate, appreciate, yes. Make listeners/viewers upset, not so much.

Is the media the message? (An editorial)

Marshall McLuhan wrote an influential piece called “The Medium is the Message.” It dealt with the advent of electronic media and how that had subverted ideas, etc. And he didn’t even

mean the Internet... Anyway. Here we are in the middle of a hotly contested presidential race where each side is upping the stakes. And what is the media doing? It is trying to even the playing field. Yes, that is right. The media is so busy being "fair" that it is not being informative.

Everyone reported that Sarah Palin's speech was "dazzling." Huh? Perhaps because there were zero expectations for her performance... In any case, no one in the mass media has had the nerve to be really critical of her. It is now considered sexist to talk about her ability to be a leader or to question her choices in regards to her family. Newspapers are talking about the mommy wars...again. And the blogs are responding. Sure women can balance a lot. And I agree that men should participate in childrearing and household chores, but I don't believe women should have children simply to hand them over to a nanny as they pursue their careers. But the media won't actually get into a fair discussion of this...they will all use soundbites (something to do with lipstick comes to mind).

Today, Yahoo News reports that the race between Obama and McCain is giving McCain a slight edge. Why are these numbers being reported? Who does that help? Are they trying to dissuade Obama supporters? Lift McCain supporters? During the campaign season, we are innundated with polls that are simply designed to incite. They are not useful. Many people are undecided, or more importantly, NOT POLLED.

Of course the media loves conflict and triumph. So they are showing Palin being greeted by mobs of women shouting out her name. What they don't tell you is that these women are Republicans, rounded up by Republican volunteers at a Republican rally. Have they gone out and talked to "average" Americans? Palin is also being featured on the covers of various pop magazines. Sure she is more photogenic than Biden, but is it over the top to feature her as a cover girl?

Bottom line is that media compete for ratings. And they think

that people want to hear more and see more of Sarah Palin. So they create a virtual maelstrom of publicity that helps create the impression that she has more support than she has. This is where the media have become the message. They craft a story, based on their take on what is happening, and they pursue it. Soon, we all buy in to this story. In many senses, this is marketing 101. Follow the AIDA principal (Attention, Interest, Desire, Action). BUT, politics is not simply about marketing. There are ideas at stake that WILL influence the course of the country in the years to come. Issues and thoughts don't lend themselves to the soundbite world so well which is why if I ask you what each of the candidates think you can probably only quote a soundbite on different issues.

I am not sure how to fix this, but I do know that it is broken. For years to come we will wonder if sexism brought Hillary Clinton down or propped Sarah Palin up. And we will never know just how much those pesky polls influence the elections.

UPDATE: Frank Rich of the NY Times wrote an opinion piece about "truthiness" or lack thereof, in the news media. The media is supposed to shine light not act as a filter.

Another guest post

Here's a link to another article I wrote for Habla Blog.

What makes you special

In marketing, what makes you special is your unique selling proposition or USP. You are supposed to find it and exploit it, because it is what sets you apart from your competition and defines you to the public. It should be specific and it should be real. Lots of products claim they are “improved” or “best” or “new.” Those aren’t USPs—at best they are qualifiers. If your product is a skin lotion, what sets it apart from the 100s of other lotions on the market? Does it have more of one ingredient? Is the only product with a certain ingredient?

The truth is many products out there just don’t know what their USP is or actually don’t have one. That is why we see so many boring ads for products that don’t motivate us to buy. (OK, I know sometimes the boring is also a creative problem but I have to stay on topic here.) So first step in any marketing campaign is to figure out what makes you special. Perhaps unique is no longer attainable, but you have to figure out what your single biggest strength is and exploit that.

A company that has figured it out, finally, is the US Postal Service (USPS). Believe it or not, their latest campaign is a stroke of genius. It exploits their true USP. This USP is that they don’t have fuel surcharges. It seems insignificant until you look at the fact that the other delivery companies such as UPS and FedEx are charging an additional fee for fuel. Have you shipped anything lately? It ain’t pretty. So here is the good old post office, trying to make headway into the overnight delivery market, and boom, they found their USP against the other guys—they don’t charge for fuel. It is a cost-savings for the consumer and a check mark for the USPS. In fact, it is a USP check mate.