

Now it's robo-calls

I am sure that you heard of the Republican National Committee's robo-calls during the 2008 election. People were very irritated to get them. And why wouldn't they? After all, it is bad enough to get an unsolicited call but then to pick up the phone to be greeted by a robotic voice? You can't talk back to a robot! You can't ask the caller to please never call you again. And what is most interesting is that there is no data that show that these types of calls work. Here is an article in Politico from earlier in the year pleading with the campaigns not to use robo-calls. The author claims that one of the main reasons that these calls are employed is because they are cheap.



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This leads me to the latest in the Verizon FIOS push. Today, I got a robo-call. My only guess is that Verizon is conducting a marketing experiment to see which method works. And hey, robo-calls are cheap! Especially if you are the phone company—you don't even have to pay for phone time. In my opinion, Verizon's marketing geniuses are thinking that somehow they will get me to sign up. So they will try each option numerous times. Meanwhile, have they checked the blogosphere for what is being said about them? No...haven't gotten a single comment. When I wrote about Comcast a few months ago, a representative contacted me to try to rectify the situation. Verizon does not care what you or I think. The

company only cares that you sign up for its services. I will tell you one reason I won't sign up for FIOS—because if something goes wrong with my TV/phone/Internet I will be forced to talk to Verizon. And I don't want to talk to Verizon, ever.

The power of branding

I've had lots of occasion this past week to think about branding as I led writing groups for a business school class on marketing. The undergrads had to write a marketing paper dealing with some sort of marketing strategy. Most of them wrote about "brand extension," where a new product is introduced under the existing brand name. The students had a bit of trouble relating theory to real world practice, but if anyone doubts the power of marketing and branding, they should look no further than this article in yesterday's *Washington Post*. The article talks about how exposure to certain brands (Coke is one of them) actually fires up areas in the brain that are also akin to RELIGIOUS experience. Why? Because marketers have spent years creating messaging that forms emotional connections for the brand. Of course, Coke is the prime example. I think it has the highest (here's another marketing term) brand equity of all brands. Its logo is instantly recognizable, and they have had a particularly successful marketing campaign. When we think of Coke we may think "a Coke and a smile" or Santa or fuzzy bears or any number of campaigns designed to appeal to our emotions. The bottom line is that good marketing and branding do work to create positive associations.

Most everything that we are exposed to through the media has a (yet another marketing term) brand essence or personality. We

associate certain behaviors/attributes/lifestyles/etc. to certain brands/products/people and countries? At least Howard Fineman of *Newsweek* seems to think that countries have brand personalities. And perhaps they do. However, he writes that Barack Obama is engaging in a branding exercise for the United States simply by the choices he's making for cabinet positions. Although I agree with the premise, I think Fineman is a bit sketchy on the details.

Bottom line: branding works. When something is not well known, it is because that something does not have a strong brand identity. Branding works for products (how many people out there have a preference Coke versus Pepsi versus store cola?) and it works for organizations. Apparently, branding also works for countries (let's see...England is traditional, some might say stodgy, Iran, more apt to incite violence, New Zealand has lots of dairy...).

The hard sell

Used car (and for that new car) salespeople are known for driving a hard sell. And generally, consumers hate a hard sell. In fact, certain car dealerships (CarMax and Saturn) made their USP (unique selling proposition) the fact that what you see is what you get, and that you won't get hassled. Somehow, Verizon has not gotten the memo. I want to understand what the Verizon marketing folks are thinking, because from my perspective, they are driving a really hard sell, and not only that, they are being tremendously wasteful (not getting the ROI they should). As I mentioned a few days ago, Verizon is in the middle of selling FIOS. I have received about two marketing pieces a week (direct mail), three to four hangups from Verizon on my phone (telemarketing) and have been exposed

to more Verizon TV ads than I care to think about. The bottom line is, as I have told Verizon, I AM NOT GETTING FIOS!!!! Stop selling me PLEASE!!!

At some point, they have to stop. But they won't. Why? Because they have spent millions of dollars in research, development and roll-out of FIOS and until every single Verizon customer signs up, they probably will not make up the difference. They may have miscalculated that people would be all over FIOS, or they rolled out FIOS at a time when people are cutting back on everything. In either case, Verizon believes that marketing FIOS will eventually bring in the numbers. Otherwise, they would not spend the money. However, I think their approach is extremely wasteful (yes, even in an environmental way).

So, my bottom line is that Verizon is the used car salesperson I will avoid at all costs. I am not buying a car (or new TV/phone service) any time soon. So sell away but all you are doing is irritating me and making me consider alternatives.

Fast food is healthy

As if. But MacDonalds, the king of marketing, would like you to believe so. Or at least it is trying to use mothers as emissaries for this message—they call it their “quality correspondents program.” I am not making this up. It is reported in today's Washington Post, and it is an attempt to maintain already high levels of fast food consumption high. Apparently, if mothers make the argument that french fries aren't so bad for you, other moms will listen. And if moms think its OK, then kids will be free to consume the “healthy” fries. What MacDonald's claims it's doing, is making sure through this type of PR, that people know they are concerned

with food safety and quality.

I have several issues with this. First of all, french fries are not healthy, period. They are deep fried and carry most of their calories from fat. It is inane for McDonald's to pretend otherwise. Perhaps a small order of fries does not have the calorie content say, of a quarter pounder with cheese. If someone wants to eat fries, they do so because they enjoy the taste and not because it is a virtuous choice on the menu.

Second, this type of person-to-person marketing, based on manipulated information, is not what I would call transparent. It is surreptitious. It is pretend. If a woman who is my friend or acquaintance tells me something, I have no reason to disbelieve what she is saying. I also don't have enough information. Lots of marketing shifts the burden for more information to the consumer, but this type of marketing is more opaque. Moms aren't going to include a website link to the company, or are they?

What I really wonder is why McDonald's needs to this at all. They are a ubiquitous part of the landscape, and everyone knows what kind of food they sell. Lots of people eat there—what are the up to, zillions served? They have great brand identity, brand knowledge and good advertising. And in a weak economy, fast food places generally do good business since they are cheap and easy. No one goes to McDonald's expecting fine or healthy dining. And as far as I know, everyone assumes you will have low-quality standards maintained across the board—clean and fast is what you expect, not high quality and good for you.

When does it become too much?

In the case of Verizon FIOS, about 100 million messages ago. OK, I am exaggerating, they could have stopped at 1000. In all seriousness, Verizon is marketing the hell out of FIOS. They want everyone who has ever been near a Verizon phone to sign up. There is TV advertising, telemarketing (these people have been calling my house at least 3 times a week for the past 8 weeks easily, even though I already told them I AM NOT INTERESTED) and direct mail. I get a direct mail piece from them roughly once a week—whether it be a postcard or a full blown letter, like I got today. What a great offer...they will bundle TV, Internet and Phone for \$100 a month PLUS taxes and fees for one year (translation—you are locked in for a year no matter what and then your price will go up). Still, I am not interested. I hate Verizon, and this marketing onslaught is making me hate them more. At some point, the costs outweigh the returns, and the many dollars they are spending trying to get me to sign up are ill spent, especially since, as I mentioned before, I AM NOT INTERESTED. For anybody worried about the economy, I would like to point out that Verizon is both making money and spending money. They aren't asking for a government bailout, they are asking you to upgrade to their system. Of course, Comcast, their biggest competitor in this area, has a similar package. And they also try like hell to get you to sign up for it. It makes me wonder how big those margins really are. They must be really big for there to be a decent ROI (return on investment) on this.

It's a new day

That's the name of a new song by Will.I.Am (most clever singer name ever, IMO). But it is also a new day in marketing. Marketers are trying to find new ways of doing old things—that is, getting people in the door (and better yet, to make a purchase). A couple of stories in the *Washington Post* this week make this point. In today's post, there is an article about a trend toward retailers creating an emotional connection with shoppers and also having gatherings in stores, to get people literally in the door. Although this is not new per se, it's application is. It seems that generalized advertising is just not doing the trick. Marketers think that by encouraging positive contact and context, consumers will part with their money.

The other story (which I cannot for the life of me find online to link to) is one regarding credit card and other offers by mail. It seems that, finally, issuers of these offers are cutting back. Although I do think that direct marketing can be a good way to reach a target audience, I think unsolicited and unwanted credit card offers do little more than sully the environment further. This trend has much to do with the availability of credit as well. The article also reports that Neiman Marcus is cutting back on its famous Christmas catalog—sending out fewer copies and making it thinner.

Is it time for a change?

There is a pizza joint across the street from my building. It's one of those take-out/delivery places that also serve subs and other greasy food. A couple of weeks ago, there was a

sign posted that it was under new managements. And then, the renovations followed. They added floor to ceiling windows, painted the place yellow and added a new sign, using the same name as before but with new fonts and color scheme. So all in all, they have spiffed up the old hole-in-the-wall that needed it. I suspect that there is no new management but rather the realization that when things get tough, the tough get going (excuse the cliché). The pizza place realized it had to make changes, in this case, aesthetic improvements, to attract new customers or lure back former customers. (It remains to be seen how the pizza will taste, and that will be another story)

The same holds true for any business identity. Have you been using the same logo for the past 20 years? When was the last time you examined your branding effort? Is it time for a change? Does your tagline still communicate what you do? Does your marketing identity synch with your business personality?

In short, if things aren't going well now due to the economic situation, it is a perfect time to take stock of how you are marketing yourself, and decide if you need to make changes. The same old does not always work.

This also brings me to one of the most successful political campaigns in modern times: Barack Obama's. What is his campaign slogan? Change we can believe in. Change is big right now and Obama knows that the public wants a change from the Bush years. As opposed to McCain's slogan of Country First, I think that Obama's slogan speaks directly to what people are looking for and communicates it effectively.

We'll know (hopefully) on Wednesday morning if Obama's slogan won more hearts and minds than McCain's. But regardless of who wins this election, we are in for a few months (at least) of tough economic times. It's time to change, right?

Marketing and Economy

Given the uncertainty in the economy, many people are cutting back on discretionary spending. Restaurants are especially hard hit during economic downturns, as people stop eating out. And in marketing, you can see two extremes: cutting out marketing dollars or excessive/over the top marketing spending. Which approach makes sense?

To cut out marketing completely is really akin to shooting yourself in the foot. Perhaps you keep your shoes, but you will no longer be able to walk very far. It is conventional wisdom that advertising and public relations agencies lose clients during economic recessions. Advertisers look to cut back on something so they go for what seems to be frivolous. But is advertising your business frivolous? How else are you going to get customers? On the other hand, the concept of guerilla marketing is successful because it uses cheaper methods of attracting and retaining customers. But the key to both is that businesses only survive if they have customers and must do SOMETHING to get them or retain them.

To go over the top in marketing is probably unnecessary. And wasteful. As I was thumbing through a women's interest magazine yesterday, I came across an elaborate three dimensional print ad for Fruit of the Loom. It caught my interest but did not make me any more likely to buy than a regular print ad. It got me to thinking that Fruit of the Loom feels it has to do what it can to attract customers. Of course, this ad was probably conceptualized well before our financial meltdown, but I won't be surprised if we see this type of excessive spending from some advertisers in spite of finances. Christmas will be very telling, as retailers especially look to increase their revenue.

So in sum, a tough economy means that you have to get tougher in looking for customers. Keep marketing yourself, perhaps in different ways. Maybe this is the time to try something different. But don't cut out advertising or go over the top. Neither will help your bottom line.

Improve your marketing communications

Are your efforts working? You advertise and send direct mail but are getting no results. What do you attribute that to? Chances are you are not communicating effectively. Here are a few things to consider:

1. **Target audience:** Are you sure you are targeting the right demographic? Are you reaching the target effectively?
2. **Clarity of message:** Are you using jargonese? Using complicated terms? Really saying what you mean to say?
3. **Timing:** Is your timing on target? Are you giving your audience enough time to make a decision?
4. **Attractiveness:** As in dating, in communications the visual can take precedence over content. Are your marketing materials designed to be easy to read? Are they attractive and professional looking? What image are you conveying?
5. **Outside opinion:** Have you shown your campaign/materials to an impartial observer? Have you tested it with a focus group or a potential customer?

Staying Smart

Have you seen the TV commercials for Holiday Inn? There are a couple campaigns—one is about the hot breakfast bar “scene” at the Inn and the other tells you how if you stay at a Holiday Inn you can just about perform brain surgery the next day. It’s all part of Holiday Inn’s branding strategy under the tag line “stay smart.” If you read the literature in the room, they have “smart” labeling in place. So, shampoo is just called “wash,” and soap is “cleanse” and conditioner is “tame.” This is in case you couldn’t figure out that shampoo is used to wash your hair, etc. I think it is a way to have a house brand instead of paying the royalties and/or higher cost for a name brand product like the ones found in other hotels.

I think “stay smart” is a smart tagline. Unfortunately, this is a case of marketing not being in touch with reality. For the past three nights I have stayed at a Holiday Inn Express in Rochester, NY. I didn’t sleep through one single night. Why? Because hotels are not built to be soundproof. That is not SMART. Why are people generally staying at a hotel? Because they need a place to SLEEP. Sure, some people use hotels as party suites or as places for a quick romp, but I would venture that most travelers are using the hotel as a base and a place to spend the night. The phenomenon of noise in hotels is not unique to Holiday Inn, but very few hotels are claiming that staying with them will make you act smarter. Very few people act smarter or otherwise with just a few hours of sleep. If Holiday Inn wants to be truly smart they will investigate how to make their rooms more friendly to sleep.