THE AD CONTRARIAN

Getting beyond the fleeting trends, false goals, and dreadful jargon of contemporary advertising

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This book is dedicated to the employees of Hoffman|Lewis who have, for years, listened politely to my oddball opinions. Their forbearance is greatly appreciated.

The Ad Contrarian: Getting Beyond the Fleeting Trends, False Goals, and Dreadful Jargon of Contemporary Advertising.
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We don’t get them to try our product

by convincing them to love our brand;

we get them to love our brand

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Preface

I've been in the advertising business over 30 years. But don't hold that against me.

I've seen the business gyrate, dance, change its clothes, grow a goatee, shave a goatee, and go virtual and back more times than I care to remember. But I've never seen it as dazed and confused as it is today.

With all the changes we're experiencing in modes of communication and delivery systems, it's not surprising that people are confused. The purpose of this book is to provide a reset button for people working in the advertising business and people working in any business who have to make advertising decisions. It's a reminder that advertising has one simple purpose: to find something interesting to say that will make someone buy your stuff.

All the rest is extraneous. If the ad is not interesting, it doesn't matter much if it appears on the side of a bus or the screen of an iPhone. It makes little difference if it's blue or red. It hardly matters if it's photographed or animated, illustrated or digitized.

All that is easy. The hard part is finding something interesting to say.

And yet, today's marketers seem obsessed with the irrelevant. They have convinced themselves that the Internet is a *strategy*; that pathetic, desperate stunts are a shortcut to brand building; that advertising is a dying practice that has lost its relevance. Worst of all, they are joined in this by pandering agency heads—leaders of global advertising empires, some of whom have never actually practiced the art of advertising—who are so deeply fearful of every approaching quarterly report they won't even defend the principles that made them rich and famous.

Advertising has always been a business in which the key skill is the ability to simplify. Someone who makes ads is given stacks of facts and reams of opinions before he begins the creative process. His ability to find his way through this jungle and find a unique line of thinking that will motivate an individual consumer is a vital skill. But for the first time in my memory, simplifiers are being shunted aside and the industry is in the hands of complicators. The complicators come equipped with false goals, a whole lexicon of dreadful jargon, and a compendium of trendy opinions and unreliable anecdotes masquerading as facts.

It's my hope that this book will provide the reader with some insight into the issues the advertising industry is currently dealing with, some advice on how to navigate the waters, and a few simple principles on which to base advertising decisions.

Good luck. You're gonna need it.

PART ONE

Chapter One: **Precision Guessing**

A close friend of mine is a psychiatrist and former medical director of a large behavioral health organization. In our conversations about psychiatry and the human condition, he frequently makes the point that human behavior is often unfathomable.

It occurred to me recently that his years at Harvard and Johns Hopkins may have been wasted. If he wanted a profound understanding of human behavior, all he needed to do was spend a little time around account planners. All they need is a few interviews, a few groups, a week in the field, and bingo . . . insight!

I suppose we are fortunate to have people of this caliber in our industry. As for me, I'm afraid I have a hard time understanding human behavior. As a matter of fact, I have a hard time understanding my own behavior.

I have no idea why I buy Jif instead of Skippy. I don't do taste tests. All I know is that when I'm standing in the peanut butter aisle staring blankly into space, there comes a time when I have to make a decision. And for some reason I usually grab the Jif.

If you can help me understand why I buy Chuck Wagon instead of Alpo for my dog, Buddy, I will be most appreciative. From all I can tell, it doesn't seem to matter much to him. So why does it matter to me? As a matter of fact, I'm not even sure it matters to me. I just do it.

I'm frequently dismayed that I understand so little about human behavior while others in my profession seem to understand so much. Either these people are uniquely brilliant or they're bluffing. My money's on bluffing.

Here's why: One of the most difficult things an agency has to do is justify to clients why they pay us all this money. This is particularly vexing if the agency can't demonstrate a direct relationship between its endeavors and its clients' business results.

So agencies create misdirection and false goals. You've probably seen them all: awareness scores, copy test results, gold statues . . . not exactly real sales results, but close enough to fool most clients.

The best misdirection strategy of all is to create mystery around the process. “We have the ‘Z-Process’ ” . . . “We have the ‘Human Insight’ process” . . . “We have ‘Planning Plus.’ ” The objective is to create the impression that the agency has a proprietary methodology for understanding and explaining consumer behavior. It is a way to hide the ultimate advertising truth: creating advertising is largely precision guessing.

In Hollywood they have a saying: “Nobody knows anything.” This explains how huge-budget, big-star, focus-group-approved movies manage to bomb on a regular basis. It is not dissimilar in advertising. Most of consumer behavior is perfectly obvious—people like things that look nicer, taste better, work more dependably, and cost less. Then there’s the mysterious part. And what we claim to understand about the mysterious part is usually speculation and ideology masquerading as knowledge.

Most of what we know about consumer behavior is about probabilities, not absolutes. Unfortunately, our clients like absolutes. They don’t want to be told that they’re paying for probabilities and guesswork. They want data and they want it now. So advertising agencies spend great quantities of time and money dressing up probabilities and guesswork to look like facts.

Yet the simple truth is that the best ad agencies are not the ones with the largest number of Official Consumer Insight Elucidators but the ones with the best precision guessers. The bottom line is, we should be skeptical of conjecture about consumer behavior tarted up as grand strategic insight. We certainly want to use whatever research methodologies are available to find out what consumers have to say about their behavior, but we should temper this with the knowledge that to some extent they don't know why they buy Chuck Wagon instead of Alpo. And if they don't understand their own behavior, perhaps we need to exercise a little modesty in asserting that we do.

Chapter Two: **Brand Babble**

I read an article by the creative director of a large international ad agency. He said his advertising is not intended to sell products. The objective is to "build brands."

There was something alarming about this statement, but I'd heard it expressed so many times before that I'd begun to take it for granted that I was crazy and everybody else was right. A few days later, however, a thought occurred to me: How does he know whether he's building a brand if not by selling products? How does he know?

Does he ask a panel of account planners? Does he consult with advertising-award committees? Does he conduct focus groups? I can imagine the conversation: "We know you won't actually spend your money to buy this stuff, but are we building a brand here?"

What could *possibly* be a better indicator of whether a brand is being built than whether people are willing to spend their money to buy it?

And so it occurred to me that by dissociating his ads from selling stuff, this guy had craftily found what the ad industry has always secretly been seeking: the Holy Grail of unaccountability, the ultimate Catch-22. When the product sells well, it's because the ads are brilliant. When the product doesn't sell well, it's not supposed to—it's a *branding* campaign. No wonder clients are sick of ad agencies.

If you ask me, the brand babblers have it all backwards.

First of all, you can't separate selling products from building brands. The idea of taking a deconstructionist view of brands—that they are somehow discrete from the products they represent—has led to the phenomenon of brands without content, the product equivalents of empty suits. We've heard their names, we've seen their ads, but we have no idea what they are, what they do, or why we should want them. What's an AIG and how is it different from an ING? And what does a Cisco do that an Intel doesn't?

Second, the brand babblers are wrong about how great brands are built. They think they can do it with shortcuts—with *branding*. So instead of a brand being an intrinsic, organic thing that evolves over time from (a) the true essence of a company and (b) carefully conceived product advertising, they have turned it into a contrivance that they tack on. It's the Dennis Rodman school of marketing: if you don't have a personality, get some tattoos.

Concurrently, the notion has gained acceptance that some campaigns are branding campaigns and some aren't. To understand the folly of this idea, let's talk about me. Someday you may meet me. When you do, you will develop an impression of me. Whether I intend for you to develop an impression of me or not is irrelevant. You will develop one anyway.

The same is true in advertising. Whether you intend your advertising to be a *branding campaign* is irrelevant. It will create an impression of your brand regardless of your intent.

But let's not be coy. What most ad agencies mean when they say a branding campaign is a campaign that is not about the product. It is a campaign about the consumer—about her feelings, her emotions, the way the product intersects her life. In other words, it's the next generation of all that awful lifestyle advertising we had to endure in the ’90s. The only thing that’s changed is that in lifestyle advertising everyone was clean and ran marathons. In branding ads they need to shave and tuck their shirts in.

Great brands have never been created by “branding.” Great brands have been created by excellent product advertising and patience.

Brands need character, not tattoos.

Chapter Three: **Everything You Need to Know about Branding in Under Five Minutes**

I've been accused of being brand illiterate, brand insensitive, brand averse, and otherwise ignorant of the power and meaning of brands. I plead kinda not guilty. My beef with the brand babblers is not about the importance of brands, but about how you build them.

To get some ammunition for my argument, I decided to do some research. I went to Amazon and I typed in the word *branding*. Up popped 29,777 results (try it). Having only one life to live, I decided that it might be better not to be too ambitious in my research. So I clicked on the first book that looked terribly important and likely to produce just the kind of pompous baloney I love to make fun of. It was called *Kellogg on Branding: The Marketing Faculty of the Kellogg School of Management.*

I hit pay dirt. Right there in front of me I found this gem from the book:

> The word *brand* has a tripartite etymology. One emphasis clusters around burning, with connotations both of fiery consummation and of banking the hearth. A second emphasis clusters around marking,

> with connotations of ownership and indelibility, as well as paradoxical allusions to intrinsic essence, whether of merit or stigma. A third emphasis clusters around the delivery of, or deliverance from, danger (stoke, anneal, cauterize; conflagration, possession, aggression). The brand embodies the transformative heat of passion, properly tended . . .

Yeah, whatever.

All this branding trouble started when the word *brand* became a verb. With the exception of Roy Rogers and John Wayne, everyone used to use it as a noun: "What brand did you buy?" "What's the best brand of toilet tissue?" "I think we have a nice brand."

Then it became a verb and all hell broke loose. "How are we going to brand this?" "This idea needs to be branded." "Good job on the branding!" (Okay, technically *branding* is a gerund, but a gerund is just a rotten trick to turn a verb into a noun.)

As soon as *brand* became a verb, branding became an activity. And as soon as it became an activity, it turned into an industry with lots of incompetent practitioners and 29,777 how-to books. Well, I'm here to save you a little reading and a lot of money. The idea that a strong brand can be created through branding is wrong.

Some things can only be achieved indirectly. You can't be happy by trying to be happy. If you want to be happy you have to go fishing, or eat a pizza, or clean out your closet. And when someone tells me she's "working on" her marriage, I'm pretty certain within a few weeks her house will be crawling with attorneys and real estate agents. You want to have a good marriage? Stop trying so hard. Go to Hawaii. Play Scrabble. Or even better, leave each other alone.

Sometimes, the more actively and directly you address a problem, the worse it gets. It's the same in marketing. You want to have a strong brand? Quit branding. A strong brand is a *by-product*. It comes from doing a lot of other things right. For example:

1. Make sure you're selling excellent products.
2. Make sure you're taking good care of your customers.
3. Make sure your ads demonstrate how you are different from and better than your competitors.

That's what builds brands, and that's all you need to know. The rest is chitchat.

I don't think Apple has become a great brand by studying the sociological and anthropological foundation of brand beliefs. They've become great by making really good products and really good ads about those products. Apple's advertising always focuses on the product (okay, they once got carried away for a few months and did that "Think different" branding campaign, but it didn't last).

The thousands of companies in America who think they're going to be successful if they just get their brand right are nuts. You've got to get a whole lot of other things right first. If you do, the brand will take care of itself. If you don't, all the branding in the world won't help.

Chapter Four: **Nailed**

It has become an article of faith in the advertising and marketing world that traditional mass-market advertising is on the way out.

From the *New York Times*, December 28, 2004: Jim Nail, principal analyst at Forrester Research, said, "You're seeing the end of the era of mass marketing."

Well, it's a few years later, and it seems to me I saw some Bud spots on the Super Bowl. Also, I seem to recall seeing some iPod billboards recently. And aren't those Toyota spots I see every time I turn on the TV? As I sit here today, mass marketing is doing a helluva lot better than "principal analysts."

And yet every week I can still pick up a newspaper or magazine and read an article about how the Internet or TiVo/DVR is changing the world as we know it and the poster child of mass marketing, the 30-second TV spot, is dead and buried.

In fact, while data on this topic is hard to find and sometimes contradictory, here's what it's telling us:

- According to the best numbers I can find, DVR viewing accounts for 6% of all TV viewing.
- When watching a DVR, people fast-forward through commercials about 60% of the time.
- So, at most, all this hyperventilating is about 3.6% of commercials being skipped. More commercials are skipped by people getting up to change their Depends.
- Even this 3.6% number is exaggerated and misleading because the DVR numbers include video-on-demand, which is often *in addition* to normal viewing, not in place of it.

On the other side we hear about how the Internet is killing TV viewing. Once again, the data tells quite a different story. Since the year 2000, household TV viewing is actually up 7%. People are watching more TV, not less. In fact, the positive effect of more TV viewing is double the negative effect of TiVo-ing. Try finding that fact somewhere.

With due respect to Mr. Nail, the end of the era of mass marketing is probably going to have to be postponed a few weeks. Let's go out on a limb here and make a prediction: as long as there are masses, and as long as there is marketing, there will be mass marketing.

However, while Mr. Nail hasn't exactly hit it on the head (couldn't help myself), he has inadvertently stumbled on something important. Marketers are turning more and more from mass-market advertising techniques to what they call "nontraditional" or "experiential" forms of marketing. This can include everything from very sophisticated web sites to posters in urinals. The idea is that these forms are more "engaging" than traditional advertising.

Nontraditional marketing is not a new idea. Anyone who knows anything about advertising knows that experiencing a product has far more impact than experiencing an ad. Smallish independent agencies have been able to differentiate themselves over the years from their much larger counterparts by doing a fair amount of nontraditional marketing. What *is* new, however, is the unquestioned faith new converts have in it. Though they will measure their cost-per-point and ROI in traditional media to the nearest penny, they will create zillion-dollar web strategies just so long as some agency web genius tells them it's cool. As usual, the thing that is all the rage is being oversold and undermeasured.

Chapter Five: **Aiming Low**

Of all the dumb things that advertisers do, perhaps dumbest of all is aiming their message too young.

There seems to be an irresistible urge for marketers to target young people despite monumental evidence that older people have far more money, are more willing to change brand loyalties, are far easier to reach, and all-in-all make better customers.

Of course, there are some products that rely on the youth market for their survival. But for most companies, targeting young people is simply senseless. When's the last time you saw a car ad with an old person in it? And yet, of the 13 cars the average American will buy in a lifetime, 8 of them will be bought after the age of 50.

The rationale for always showing young people in ads is the stale canard that older people want to be like younger people. In fact, not only do older people not want to be like younger ones but in a recent study half said they tune out when they see a spot pitched to young people and one-third say they actively avoid products whose ads are directed at younger people.

The worst and perhaps most pervasive rationale for targeting young people is the notion that if you get them young you'll have them for life. This is the idiotic "lifetime value" argument that spawned the dearly departed "new economy." Someone please show me one 50-year-old who drives the same car, drinks the same beverages, wears the same clothes, or eats the same food he did at 16. I mean, besides my brother-in-law.

Some facts about people over 50:

- They make up 29% of the population.
- They control 77% of financial assets.
- They control 50% of all discretionary spending.
- They watch 50% more television.
- They are the target for 10% of all advertising.

There are only two possible explanations for the above. Either advertisers are crazy or they are hopelessly out of touch with, and prejudiced against, the people who economically control this country.

Since I don't think they're crazy, the explanation has to be the latter. They have become so used to accepting the 30-years-out-of-date wisdom that every brand has to be "youthful"; they are so used to young and hip advertising winning all the awards; and they are so sure that the rest of the world is just like them that they are blind to what is perfectly evident to anyone who looks at this objectively.

Not only is most advertising not *appealing* to the people who have and spend most of the money but it's *alienating* them with imagery, values, and cultural references that are actively disliked and resented.

Chapter Six: **Puzzles and Mysteries**

A *New Yorker* article by Malcolm Gladwell, author of *The Tipping Point*, leads me to believe that advertising people can learn something from spies. Not about stealing other people's ideas, but about solving business problems.

Gladwell tells us about a national security expert, Gregory Treverton, who distinguished between two kinds of problems: puzzles and mysteries. His distinctions have great value for us.

Puzzles, he wrote, are problems for which there is not enough information. An example of a puzzle: Where is Jimmy Hoffa buried? If we had more information, we would know the answer. If someone told us "Jimmy Hoffa is buried in New Jersey," we'd know a little more than we know now. If he said, "He's buried in northern New Jersey," we'd know even more. If he said, "He's buried in the Meadowlands," we'd have an answer to our puzzle.

On the other hand, there are mysteries. Mysteries are problems for which we have plenty of information, but no accurate analysis. An example of a mystery: Why can't inner-city schools teach kids to read? There are thousands of studies. Every education department of every university in America has done a study on this; every committee of Congress has done a report on it; every editorial writer has a theory about it; and every pundit has an opinion. And yet we have no definitive answer. More studies and more information are not likely to yield an answer. What is needed is an accurate analysis of the voluminous information that already exists.

Gladwell gives a wonderful example of the importance of distinguishing between puzzles and mysteries. In 1943, during World War II, the Allies were concerned about Germany's boast of having developed a "superweapon." Did they really have a superweapon, or was it just propaganda? There were two ways to deal with this problem. It could be dealt with as a puzzle, and spies could be sent out to gather more information. Or it could be dealt with as a mystery, and information the Allies already had could be analyzed.

Fortunately, American intelligence had a bunch of brainiacs who were known as "the screwball division." They were "slightly batty geniuses" who were brilliant at analyzing information that was readily available to anyone. So instead of sending out spies disguised in mustaches to infiltrate German munitions factories, the intelligence community gave the brainiacs German newspapers and radio broadcasts. These guys pored over the information that already existed and accurately predicted that the Germans had, in fact, developed a new weapon, the V-1 rocket. They also accurately predicted both that it had been stalled in development and when it would be ready.

As a matter of fact, in retrospect, these guys were correct an amazing 81% of the time in their analyses during the war—a success rate many times higher than the spies'.

How does this apply to us? We ad people are almost always tasked by our clients with solving some variation of the following problem: How do we sell more stuff? Sometimes it is a subset of that question, like Who is our target customer? or What is our primary medium? or Which of these campaigns should we go with? or What is our brand position?

One hundred percent of the time these problems are dealt with as puzzles, not mysteries. We always assume that one more study will yield the magic answer. Research is commissioned. Spies are sent out to live with customers or interview them or hold group discussions with them.

The results of these endeavors are almost always inconclusive. They are often dressed up to appear scientifically valid. Even when the results seem conclusive, the conclusion is often wrong.

On the other hand, most companies have stacks of research and reams of data about their customers and about their industry. This mountain of existing information is almost never consulted. In my entire career, I have never seen a marketing problem treated as a mystery. I have never once heard a marketing officer say, “You know, we have all this research we’ve done over the years and all this data from the industry. Before we do more research, I want someone to go through this stuff and tell me what it means.”

Why do we prefer to deal with business problems as puzzles rather than mysteries? Frankly, because it's easier. Most information about business problems is not conclusive on the surface. It requires a special intelligence to be able to examine imprecise, unfiltered, often contradictory information and come up with a correct analysis. Also, the information that is lying around was usually gathered by someone else. In other words, not created here. And as we all know, in American business there is nothing stupider than the people who had the job before we did.

It is much more comforting to send a researcher or planner out with a fake mustache and give him six weeks to come back with an answer. Unfortunately, as we all have experienced, most of the research we do yields nothing of value and is often actually counterproductive. The following year the report becomes part of the dusty heap of improperly analyzed information sitting around adding to the mystery.

So what are we to do?

The key is to break down the tyranny of titles and find out who our slightly batty geniuses are. Simply because an individual has the title of "account planner" or "research director" or “CMO,” for that matter, doesn’t make her an expert analyst. In my experience, planners and researchers tend to be puzzle doers, not mystery solvers.

However, there are people who are just naturally good at solving mysteries. Generally, this skill correlates with high IQ. They may come from the accounting department or the creative department or the media department or the sales department. We need to identify these people in our organizations. Before spies are sent out, these people need to be exposed to all the information that exists and allowed to weigh in on the questions we’re all trying to solve.

In short, the hard part of solving marketing problems is not getting more information—it’s figuring out the meaning of the information we already have.

Chapter Seven: **End of the World**

I have good news.

We haven't all died from bird flu. Or from SARS. Or from Ebola virus. Oh, and we survived Y2K pretty much intact. And if you can't sleep nights worrying about global warming, here are a few quotes that might help:

In "The Cooling World," April 28, 1975, *Newsweek* informed us that meteorologists "are almost unanimous" that "catastrophic famines might result from . . . global cooling." On September 14, 1975, the *New York Times* told us that this global cooling "may mark the return to another ice age." And on May 21, 1975, the *Times* said, "a major cooling of the climate is widely considered inevitable" because it has been "well established" that the climate in the Northern Hemisphere "has been getting cooler since about 1950."

I could go on.

Based on what I've read, I'm pretty sure global warming is a problem. I'm also pretty sure the problem is way more subtle and complex than the media is making it out to be. Although I admit to knowing nothing about climatology, I do know something about media hysteria. Since the beginning of civilization, it's been pretty clear that you can make a nice living predicting the end of the world. And while the end of the world has been predicted with great regularity for thousands of years, so far none of the experts who has done so has been right. Not a single, solitary one of 'em.

Nonetheless, this never seems to deter the catastrophists and their impressionable followers.

It is also true in the advertising business. In my lifetime the advertising business was going to be destroyed by:

(a) Cable TV

(b) Generic brands (an oxymoron?)

(c) The VCR

(d) The computer (Remember? Clients were going to make spots on their desktops!)

(e) Wal-Mart

(f) Digital cable TV (Remember? During programs, we were going to click on products that were placed in "content" and be taken to "long form" info-somethings and then order the product through our TV! Golly!)

Now the experts all agree that advertising will die at the hands of "new media": the Internet plus iPods plus cell phones plus who-the-hell-knows-what.

Just two years ago advertising was going to die at the hands of TiVo. Go back and read the articles. Now TiVo is our friend.

From the usually sensible Bob Garfield in *Advertising Age*, March 26, 2007:

> "It's a world . . . in which ad agencies are marginalized . . . in which marketing—and even branding—are conducted without much reliance on the 30-second spot or glossy spread . . . Because nobody is much interested in seeing them, and because soon they will be largely unnecessary."

I could go on.

Once again, the experts are wrong. Advertising is not dying and will not die. Here's why:

1. People love entertainment.
2. People would rather get their entertainment free than pay for it.
3. Advertising allows people to get free entertainment. Nothing else does.
4. People have always been willing to put up with ads in order to get free entertainment.
5. This will not change.

Do you think Yahoo or Google would be where they are today if they were not supported by advertising (i.e., free)? And if you believe, as some pundits do, that free television will soon be replaced by paid downloads, take a look at what happened to Napster when it went from free to not free.

Sure, the TV networks will have it a lot tougher as people continue to adjust to a new, more diverse media landscape. But, c'mon, are you really worried about the TV networks?

The new media hysterics are the same crowd who sold us the new economy back in 1999. You remember, brick-and-mortar stores were dead; we would be ordering our dog food and batteries online! Golly! In the meantime, my local supermarket seems to be doing just fine.

New media alarmists have it wrong in another way, too. They have convinced the highly impressionable marketing and advertising communities to focus on the wrong things. The key issue for advertisers is the same as it's always been: It's the message, stupid.

If the message is right, who cares what screen people watch it on? If the message is wrong, what difference does it make?

If you agree with us, be prepared to be told that you are clueless and you just don't get it. In fact, it is the new media crowd who don't get it. Radio was not killed by television, as was predicted. Movies were not killed by television or the VCR, as was predicted.

New media will take their place alongside traditional media. They will all be supported by advertising. The laws of economics have not been repealed.

To paraphrase George Bernard Shaw, perspective is called cluelessness by those who don't have it.

Chapter Eight: **Salesmen and Sociologists**

Has anyone else noticed that the increase in client dissatisfaction with advertising has coincided almost perfectly with the ascendancy of account planning? Maybe it's just a coincidence. But then again, how can it be that we've added the science and knowledge of these consumer insight experts into our repertoire and yet—according to our clients—our efforts are less effective than ever?

I think I know the answer.

I think we're turning into a bunch of sociologists at exactly the time our clients need us to be salespeople.

One of America's most successful agencies has an executive with the title "Group Director, Cultural and Cognitive Studies." I kid you not. I'm sure he's a lovely guy who does a nice job. But "Group Director, Cultural and Cognitive Studies"? It sounds like a freshman requirement at a bad junior college.

Here's what's happening. First of all, we have substantially exaggerated the power of brands. Most consumers in most categories have little or no brand loyalty. They don't care which bank they go to. (They go to the one that's across the street.) They don't care which airline they fly. (They fly the one that has the best deal at the best time.) They don't care what auto insurance they buy (as long as it's cheap) or what tomato sauce they buy (as long as it tastes good).

They go to Target today and Wal-Mart tomorrow. They wear Nikes today and Adidas tomorrow. They sign up for Verizon today and Sprint tomorrow. Most of their buying decisions are for specific, immediate reasons. Not for mysterious sociological, cultural, or emotional reasons.

Most brands are so similar, and their so-called brand personalities are so transparently contrived, that consumers have become nearly immune to "branding." Consumers are loyal to excellent products that are clearly differentiated, not to brands. I buy Heinz ketchup all the time, but nothing else that Heinz makes. I don't even know what else they make, just that there are 57 of 'em. I like the product; I'm not loyal to the brand.

According to Arjun Sen, president of Restaurant Marketing Group, only 8–10% of people are stubbornly brand loyal. Which, if my math is correct, means that 90–92% of the time a superior product offer trumps a brand personality. So much for all that baloney about consumers' deep emotional attachment to brands.

There are two different parts to consumer behavior. First, there's the big part—the part that's perfectly obvious ("I bought it because it's cheaper/tastes better/looks nicer"). Second, there's the small part—the part that's mysterious. All the sociological claptrap being peddled these days ignores the big and misunderstands the small. If you're not in the alcoholic beverage, soft drink, cigarette, or fashion business, you'll be way better off focusing on the obvious stuff.

However, the ethos of advertising these days does not recognize this. We want to focus on the mysterious part. The more mystery, the more leverage we in the ad industry have. If we are the ones who can properly interpret the arcane goings-on of the consumer mind, then we have vast power. If we can raise the everyday buying habits of people to the level of "cognitive studies"—whatever the hell that is—we have carved out a nice little business for ourselves.

If you believe that psychiatrists have a hard time understanding the mysteries of human behavior but account planners have it all figured out, well, good luck. I don't. I'm sorry to strip us of our magical power but, there, I've said it and I'm not sorry.

By the way, have you ever bought anything from a sociologist?

Neither have I.

Chapter Nine: **Wait a Minute**

Former Senate Minority Leader Everett Dirksen once said, "The three most important words in the English language are *wait a minute*."

Advertising and marketing people would be wise to take heed. There is no doubt that we are in a period of great change in the advertising world. What's not so certain is how it's changing or where it's going. There's a lot of hand-wringing and bloviating but not very much clear thinking or plain speaking.

The first thing everyone needs to do is calm down. In times of change, the people who come out on top are the ones who avoid hysteria and refuse to get stampeded by the herd mentality. Before we go spinning off into terra incognita, it's time to take a deep breath and count to ten.

By now the podcasting and blogging crowd who were at the center of the "trend of the month" club a few years ago are probably starting to realize what a monumental waste of time and money their podcasts and blogs have been. I'm sure there have been a few successes. We all read about them. And I'm equally sure there have been tens of thousands of failures. We never read about them.

The "trend cycle" is shortening. So while podcasts and blogs have been summarily excised from every agency's new business pitches, they have been quickly replaced by . . . who knows what? User-generated content? One-second TiVo spots? Serialized web movies? Social media? The gimmicks and jargon change so quickly it's hard to keep track. These web-based activities are getting mighty pricey. Just wait till the bean counters do an ROI on these babies.

The most important thing you need to do, Mr. or Ms. Marketer, is to be guided by principles, not fads. Trends come and go; principles don't change. What are the principles that are guiding your advertising decisions? If you don't know, you'd better figure them out and write them down. And by the way, if your principles are centered around "consumer engagement," "360-degree touchpoints," and "brand saliency," they're not principles. They're clichés.

The next thing you need to do is to stop swinging wild. One of the mistakes that advertisers are making is spreading themselves too thin. With all the new media options it's more important than ever to concentrate your efforts, not dilute them. You can't be an efficient advertiser in every medium. Decide what you want to be and then be a good one. If you're going to be a broadcast advertiser, be there heavily. If you're going to be an interactive advertiser, be there heavily. Don't be an "alibi advertiser," i.e., a little of this and a little of that so that you can show your constituencies that you've checked all the boxes.

The key to media success is *impact*. The key to impact is concentrating your resources.

Next, rethink your creative efforts. The creative community is trying to convince you that in an era of rapidly expanding media options you need to "reward" viewers in order to get their attention. This is code. What they're really trying to say is that you need to entertain viewers. This is what they always say. Unfortunately, this is because most of them would rather be in the entertainment business (frankly, so would I). All other things being equal, advertising that makes your point in an entertaining way is superior to advertising that doesn't. But don't kid yourself. Consumers rarely give you points for cleverness alone.

In fact, consumers have more than enough entertainment options. What your advertising needs to do is make a differentiating point about your product. If you're all caught up in the vortex and excitement of change, but your advertising isn't making a point that's helping you sell stuff, it's time to raise your hand and say, "Wait a minute."

Chapter Ten: **Facts and Opinions**

For a brief period I was a science teacher. I didn't actually have a license to teach science but because of a teacher shortage you could say I was drafted.

My three years in the classroom taught me a lot about science and the scientific method. Most of all, it gave me a healthy respect for the difference between a fact and an opinion.

Scientists are constantly struggling to establish factual knowledge of the world. Their efforts are relentlessly reviewed and tested by their peers. In fact, in scientific terms, nothing is ever truly a "fact." Scientists learn to be satisfied with degrees of certainty.

Does the earth revolve around the sun? We have an extremely high degree of certainty that it does. But if someone were to produce an experiment tomorrow that conclusively contradicted this, science would have to alter its beliefs. That's the difference between science and most other disciplines. Politicians, for example, are loath to alter their beliefs, regardless of the consequences of their actions. Science is skeptical and always prepared to reevaluate.

As an admirer of the scientific process, I have a less-than-sterling opinion of the research methodologies employed in the advertising industry. As a matter of fact, I believe most of them are based on very suspect suppositions and very flimsy science. Most of the research we conduct and conclusions we draw would be laughed out of any respectable lab in the country.

Worst of all is the current trend toward online research. Online research has some major advantages; it is often less expensive than standard methodologies and also quicker to yield results. However, as currently practiced, it is fatally flawed.

"We're perpetuating a fraud," is what Simon Chadwick has to say. Mr. Chadwick is former head of NOP Research in the UK and is now principal of Cambiar, a Phoenix consultancy. "[Online] surveys tend to poll the same people over and over." In fact, a study done by ComScore Networks indicated that one-quarter of one percent of the population provides about one-third of all online responses. This means that instead of getting one vote, each of these respondents is getting the equivalent of 128 votes.

We are getting the same people responding over and over again to earn points so they can win a toaster. Or, as Mr. Chadwick calls them, "professional respondents who go hunting for . . . dollars."

What's so terrible about professional respondents? you might ask. Pulitzer Prize–winning *New York Times* science writer Natalie Angier says: "Nothing tarnishes the credibility of a sample like the desire to be sampled . . . a good pollster will hound and re-hound the very people who least want to cooperate."

So not only are these people ridiculously overrepresented, but they are also the wrong people.

"It's like the hole in the ozone layer," said Shari Morwood, VP of worldwide market research at IBM, in an article in *Advertising Age*. "Everyone knows it's a growing problem. But they just ignore it and go on to the next project."

Kim Dedeker, VP of consumer and market knowledge at P&G, describes an example in which online and mail surveys came up with diametrical results. "If I only had the online result . . . I would have taken a bad decision right to the top management," she said. In another case, two surveys conducted a week apart by the same online researcher yielded completely different recommendations.

Furthermore, most of these online researchers don't validate their samples. They don't know who is responding. It could be my daughter using my computer saying she's me. Or saying she's you, for that matter. And if all that weren't enough, many of them don't limit responses. I can log in as 5 different people and respond 5 different times. Or 50. Or 128.

Another lovely bit of hokum online researchers perpetrate is the "degree of confidence." They tell us that their results are accurate with a "95% degree of confidence." However, they never quite tell us what it is that they're confident about.

Let's give them the benefit of the doubt for a minute and say that their sample is legitimate (which is highly unlikely) and that they are brilliant people who can interpret data almost flawlessly. Let's take a look at what "95% degree of confidence" means under *the best* of circumstances.

Once again we'll turn to Ms. Angier. Here's an example she gives in her book *The Canon*: You go for an HIV test. You test positive. The test is said to be 95% accurate. This means you have a 95% chance of having the HIV virus, right? Not even close.

What it means is that 95% of the time, people who have the HIV virus will test positive. But it also means that 5% of the time, people who *do not* have the HIV virus will test positive.

Now let's say you live in a town with 100,000 people. The HIV virus appears in 1 person out of 350. So in your town of 100,000 people, this means that there will be about 285 people with the HIV virus (100,000 divided by 350).

But if we tested all the people in your town, we would get about 5,000 positives (remember, people who *do not* have the virus will test positive 5% of the time) and *almost all* of these 5,000 "positives" would be false.

In fact, when you do the math, after testing positive not only is there *not* a 95% chance you have the virus but there is only about a 5% chance you have it. And an almost 95% chance you *don't* have the virus.* So much for a "95% level of confidence."

We advertising and marketing people are drowning in opinions and starving for facts. But we have to be very careful about distinguishing between the two. In the advertising world, research is no different from creative work. Some of it is very good; some of it is worthless and dangerous.

* To figure out the accuracy of the result, you divide the total number of true positives you'd expect from your sample (95% of 285, or 271) by the total number of true and false positives (5,257) and you wind up with a probability of having the HIV virus of actually about 5.2%, not 95%. If you can't follow the math, don't worry; you can trust Ms. Angier—she has a Pulitzer Prize. All I have is a stupid ad agency.

Chapter Eleven: **Myths Exploding, Mysteries Unraveling**

For the first time ever, the advertising industry is getting data about things that up until now were the province of speculation and ideology.

We're starting to get a glimpse of how consumers actually behave when confronted with advertising. Not how they say they behave; not how we *think* they behave; not how they behave under *controlled conditions*; but what they actually do at home in front of the TV when they see an ad. The picture we are getting is challenging some of Madison Avenue's most cherished and widely held beliefs.

The unlikely source of this data is TiVo, the product that was supposed to kill the advertising industry. It may kill it yet, but for a whole different reason.

It may turn out that TiVo demonstrates what some of us have secretly feared for years—that the advertising industry has been squandering its clients' money with self-serving and self-indulgent practices that do more to promote ad agency objectives than client products.

In the last decade, the process of creating advertising has become more and more arcane. Ad agencies have reinvented themselves, not as gray-flannel hucksters, but as interpreters of culture, as commercial anthropologists and ethnographers.

This move away from salesmanship and toward academics has been both attractive and repellent to our clients. On one hand, marketers have become the biggest cheerleaders and chief advocates for account planning, communications planning, and other types of “soft” marketing science that supposedly interpret consumer beliefs and behaviors. On the other, they continually carp to us that ads aren’t as effective as they once were. It seems that they haven’t yet connected the dots. But TiVo may change all that.

When you are in playback mode, the TiVo box in your home knows what you are watching at all times. It can tell what you skip past and what you stay for. And here’s what the first reports from TiVo seem to be telling us: when it comes to advertising, you are skipping the good stuff and staying for the junk.

In the advertising world, the good stuff is considered to be the stuff that wins the awards, gets featured in trade publications, wins new business for ad agencies, and nabs big jobs for its creators. The junk is the stuff with 800 numbers, prices, and not a hint of Cultural and Cognitive Studies. The first reports we are getting from TiVo say that the commercials people are staying for most and skipping least tend to be direct response and retail commercials—the "junk."

These reports challenge one of advertising's sacred cows. Agencies are always telling their clients that in order to attract viewers, advertising needs to reward them. This is the argument for advertising as entertainment. The argument goes like this: people have too many entertainment options. If we are going to engage them in our ads, we have to be as entertaining as the programming. The hidden agenda here, as I stated in chapter 9, is that many in advertising would really rather be in the entertainment business and are often looking for reasons to redefine advertising as entertainment. TiVo is teaching us that either this argument is wrong or Bowflex commercials are way more hilarious than anyone imagined.

This finding has serious strategic implications for advertisers. The key difference between direct response and retail advertising and most brand advertising is that the

DR and retail marketers use advertising to effect change in behavior. They want you to pick up the phone or go to the store, and they focus their ads on giving you specific, clear reasons to do so.

The brand advertising model, however, has a different objective. It tries to change your attitudes. It wants to affect your beliefs.

Many in the ad community will wring their hands and pull their hair out trying to understand the TiVo results. How can that crap with the 800 number be more effective than our brilliant, award-winning, focus-group-approved brand campaign?

To some of us, however, it is not surprising at all.

In part 2 of this book, you will read about Performance-Based Advertising. My associates and I assert that one of the three key principles of Performance-Based Advertising is that advertising is most effective when it is focused on changing behavior, not attitudes. Retailers and DR practitioners aim to change behavior; brand advertisers aim to change attitudes. Retail and DR win. End of story.

Apparently, all the sociological and anthropological chattering may not be doing a thing to make advertising more effective. And now that reliable data is starting to become available, you'd think that ad agencies would start to reconsider their prejudices. They won't. Their beliefs are too baked into their DNA for them to even contemplate that they may be operating under false premises. Agencies will continue to ignore any data that suggests that consumers have quite enough entertainment, thank you, and respond best to ads that tell them something interesting about *products*.

But we won't. Read on.

PART TWO

Chapter Twelve: **Performance-Based Advertising**

Ask the average ad agency person about the fundamental principles behind what she does and you will likely get stunned silence. When she recovers, you will probably hear a series of buzzwords rather than principles, vague statements about "cultural conversations" or "360-degree touchpoints" or "consumer engagement."

The reason ad agency people have a hard time articulating underlying principles is that for the most part they don't have any. Instead they rely on a grab bag of platitudes handed down unchallenged from agency to agency, generation to generation.

In response to that, my associates and I have developed a set of principles called Performance-Based Advertising (PBA℠). PBA is meant to displace the fuzzy beliefs and horrible clichés that masquerade as critical thinking in much of the advertising and marketing world today.

PBA defines a very specific set of principles by which advertising should be developed and managed. It avoids the tired truisms and replaces them with simple ideas that will help you understand why your advertising isn't performing as well as you'd like it to and what you can do about it. PBA is about strategy, it's not about creativity. Thankfully, imagination is still rare and beautiful and can't be formulized in books like this. Strategy can.

I hope PBA will challenge what you think you know about advertising. I also hope it will give you a fresh, practical way to approach the advertising decisions you have to make every day.

The Principles of Performance-Based Advertising

The premise behind Performance-Based Advertising is simple—there are ways to advertise that are prudent and efficient, and ways that are wasteful and inefficient.

Your ability to advertise efficiently and get maximum value and performance from your advertising is largely determined before you create or approve a single ad. It has to do with:

- What you expect advertising to accomplish
- Whom you direct your message to
- What you tell them

These fundamental questions are the foundation on which PBA is built.

I want to emphasize that PBA is a series of principles, not rules. PBA is about probabilities, not absolutes. (For that matter, any statement about human behavior is about probabilities, not absolutes.) There are plenty of examples of ad campaigns that do not follow these principles but have been successful. There are also situations in which PBA principles will not be relevant. If you apply PBA principles, you are not guaranteed to succeed. And if you don't apply them, you are not guaranteed to fail. However, if you follow them, we believe the probability of success is far higher.

Performance-Based Advertising has three principles:

1. Advertising is most productive when it is focused on changing behavior, not attitudes.
2. Advertising messages should be created for, and directed at, the heavy-using, high-yield customers in your category.
3. We don't get them to try our product by convincing them to love our brand; we get them to love our brand by convincing them to try our product.

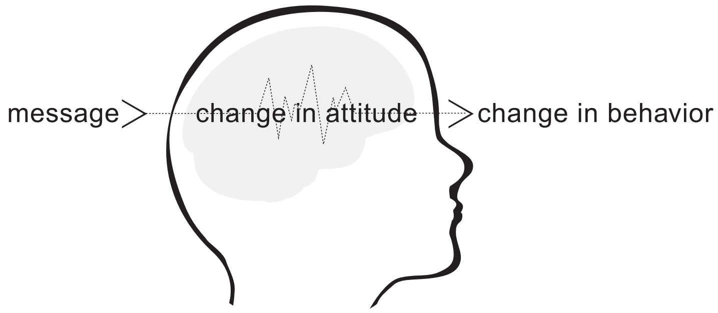
For the remainder of this book, we will look at these principles one at a time, and explore their rationales and implications.

Chapter Thirteen: **Principle #1**

Advertising is most productive when it is focused on changing behavior, not attitudes.

One of the fundamental questions about advertising that no one seems to ask is this: is advertising best suited to change behavior or attitudes? The answer to this question has huge consequences for advertising strategy.

The common wisdom is that first you change a consumer's attitude and this will lead to a change in her behavior. In graphic form, it looks like this:



The only problem with this model is that attitudes are extremely hard to change. Once someone's a Dodgers fan, he's probably going to stay a Dodgers fan. Once he's a Coke versus a Pepsi, Democrat vs. Republican, United vs. American, Mac vs. PC, paper vs. plastic, his mind is not likely to be easily changed.

As author and neuroscientist Sam Harris puts it:

> It does not require any special knowledge of psychology or neuroscience to observe that human beings are generally reluctant to change their minds.

Economist John Kenneth Galbraith says:

> Faced with the choice between changing one's mind and proving that there is no need to do so, almost everyone gets busy on the proof.

And perhaps marketing guru Jack Trout says it best:

> If your assignment is to change people's minds, don't accept the assignment.

In fact, it is usually a lot easier to change behaviors than attitudes.

- It's easier to convince you to eat a Big Mac® than to convince you that eating a Big Mac is a good thing to do.
- It's easier to convince you to go to Las Vegas than to convince you that going to Las Vegas is a wise thing to do.
- It's easier to convince you to fly Southwest than to convince you that flying Southwest is going to be a pleasant experience.

It's easier to convince you to eat a Big Mac® than to convince you that eating a Big Mac is a good thing to do.

Nonetheless, my informal estimate is that somewhere around 75% of the advertising we see is aimed at the mostly fruitless and ineffectual exercise of trying to change our minds.

It's not that attitudes are irrelevant. It's not that they don't affect behavior. It's just that they're too damn difficult and too damn expensive to change. Your marketing dollars are much more likely to prove productive if you focus on changing behavior.

To illustrate the implications of this principle, let's take a little trip on United Airlines. We know a heavy traveler who dislikes United intensely. He's had years of unpleasant experiences with United. He goes out of his way to avoid them.

This year, United will spend tens of millions of dollars advertising to him and people like him. They can play *Rhapsody in Blue* till they're blue in the face, and it won't change his attitudes or get him to like the airline any better. But they can change his behavior very easily. All they need to do is promise him a 60-second security check or a $399 fare to Hawaii, and he'll have his shoes off and his boarding pass out so fast you won't believe it.

Nonetheless, this year United will continue on a fool's errand—running tens of millions of dollars in advertising that tries to convince people who don't like them to like them.

Most disturbing is that according to traditional advertising practices and most marketing and branding experts, United is doing the right thing. They're not.

Chapter Fourteen: **Principle #2**

Advertising messages should be created for, and directed at, the heavy-using, high-yield customers in your category.

It is a good thing to love all your customers and treat them with respect and gratitude. But it is not productive to fashion your advertising message to appeal to all of them.

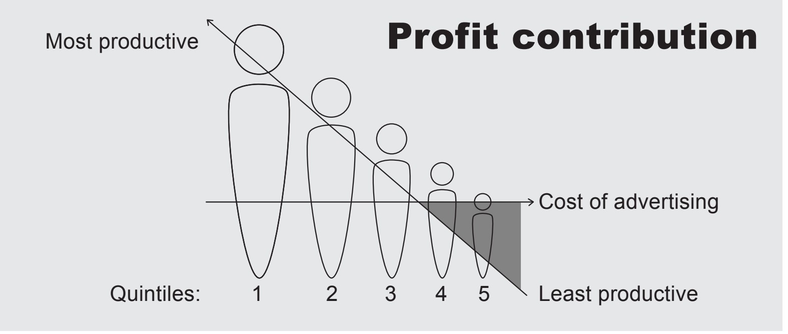
Some customers are extraordinarily valuable. Some are hardly valuable at all. One of the keys to making your advertising more productive and efficient is to be certain it is talking the language of the high-value customer.

Most marketers define their target customer in either demographic (e.g., women 18–34) or psychographic (e.g., millennials) terms. I think this is wrong.

The target customer should be defined in terms of category usage. This is just a fancy way of saying that you should define your target as *the high-value customer* in the category—

regardless of demographics or pyschographics—and create your message to appeal to these people.

The following chart is not meant to be scientific, but to illustrate the wisdom of focusing your message on heavy-using, high-yield customers:



Even though some customers are much less profitable than others, the cost of marketing to them is not less. While people in your top quintile may be hugely valuable, people in your lowest quintiles may actually cost you money. Even if you market to them successfully, it may cost you more than you can ever hope to recover.

Most advertisers mitigate against this by developing media strategies that target the heavy user. This is not good enough. When you buy a spot on *Monday Night Football*, it costs just as much to talk to the guy who buys a hamburger once a month as the guy who buys every day.

Creative strategy is the key to cost mitigation. Make sure your ads are written for the right people. Be sure your advertising has been developed with the point of view and needs of the high-value customer in mind.

The reason it is critical to fashion your message for the heavy-using, high-yield customer is that they will often have a different point of view and a different set of needs from the average or light user.

As an example, let's talk about fast food. The average user of fast food may visit a fast-food place once every two weeks. To him, fast food may be a guilty treat. The heavy user of fast food, however, uses it in a completely different way. He visits fast-food places 10 times a week or more. To him, it's not a guilty treat. It's his refrigerator.

In fact, in the fast-food category, as in many others, about 30% of customers account for 70–80% of the volume.

These heavy fast-food users are the key to profitability in the category. Attract them, and you're coining it. Miss them, and you're in trouble.

Often advertisers try to find a common denominator among all their potential customers and try to create a message that appeals to everyone. This is a mistake. The way to minimize waste and maximize the productivity of your advertising is to shape the message for the high-yield customer.

There's an interesting marketing hypothesis called The Long Tail. It states that companies with low costs of inventory and distribution (like web powerhouses Amazon and Netflix) can derive substantial income, even a majority of income, by selling unpopular items to tiny market segments. There seems to be conflicting data about this idea, and I am officially skeptical.

Even if it is true, however, it has very little relevance for most marketers. Unlike Amazon and Netflix, most marketers have *high* costs of inventory and distribution. Carrying every niche book of poetry or philosophy for brick-and-mortar book retailers is ridiculously expensive and has no chance of returning profits.

As usual, a whole lot of marketing people have completely misunderstood The Long Tail. They mistakenly think it means they should focus their marketing efforts on trying to sell golf balls to tennis players.

In summary, success in most categories is directly related to the number of heavy-using, high-yield customers you can attract. (I have used “heavy user” and “high-yield customer” interchangeably. In some categories they may not be the same.)

Since nobody has an unlimited marketing budget—except, apparently, erectile dysfunction remedies and congressional candidates—maximizing the performance of your advertising dollars consists of doing the following:

- Studying high-yield customers and understanding what they want
- Crafting a message to these needs
- Treating your low-yield customers nicely, but not shaping ad messages for them

Chapter Fifteen: **Principle #3**

We don't get them to try our product by convincing them to love our brand. We get them to love our brand by convincing them to try our product.

Principle #3 is the heart and soul of PBA. It is a different view of advertising and branding. It is different because it takes contemporary advertising thought and flips cause and effect.

What this principle is saying is that the best way to build a brand is through product advertising, not brand advertising.

Let's define our terms.

In general, what people mean when they differentiate between "product" and "brand" advertising is that product ads are about features and benefits, and brand ads are about imagery and lifestyle. (This, by the way, is nonsense. All advertising is brand advertising. All advertising either enhances or diminishes a person's net impression of your brand, whether you intend it to be brand advertising or not. Nonetheless, the idea that brand advertising is something different is so ingrained in the system that we have to deal with the idea whether we like it or not.)

I believe that "brand" advertising—advertising focused on imagery or lifestyle—is least effective against your most desirable customers. It may be effective against light users or nonusers in your category, but it tends to be ineffective against heavy users.

For better or worse, the heavy-using customer in your category is probably already an expert on your brand. By definition, she participates in the category frequently. She is more likely to be interested in the category and knowledgeable about it. When you want to learn about your standing vis-à-vis your competitors, what do you do? You ask her. You conduct research and invite her in to tell you how you're doing. It would not be hyperbolic to say that in some ways she knows your brand as well as you do.

Her knowledge and experience in the category have far greater influence on her opinion of your brand than advertising does. Please reread that last sentence.

Because she knows her stuff, her attitudes are hard to change. That's why Principle #3 stresses the importance of product advertising. Give her a solid reason to give you a try. She will quickly recognize meaningful product differentiation, innovations, new product benefits, a good deal, a compelling offer, a service enhancement, or evidence of emotional enrichment.

She is far more likely to recalibrate her opinion of your brand by experiencing your product than by experiencing your advertising. Getting the customer to experience your product doesn't just create sales—it's what builds brands.

(One thing I need to say here. There are some categories in which imagery and lifestyle advertising are often highly effective, e.g., cigarettes, booze, soda, fashion. These are categories in which there is minimal product differentiation and, in fact, advertising often serves as the differentiator. As I said earlier, PBA principles do not apply in all cases and in all categories.)

To understand this principle better, think about a category in which you are a heavy user. In my case a good example is hotels. I spend way too much time in hotels, probably

75 to 100 nights a year. I am the customer every hotel operator wants. In terms of my dollar contribution to the category, I am probably worth at least 10 average customers.

I know the hotel category inside and out, backwards and forwards. I know the good hotels in the cities I travel to, and I know the bad ones. I've seen them all, I've smelled them all, I've tried them all. Any hotel operator who thinks he's going to influence me with fetching images of his glorious Best Western is wasting his money. If he wants me to give him a try, he'd better tell me something I don't already know. And it had better be specific and it had better be good. Images of suntanned models lounging poolside may influence the light user who travels once a year, but it ain't gonna impress me.

Let's go back to United Airlines for a minute. In my lifetime they have spent hundreds of millions, perhaps billions, of dollars trying to convince my friend that they are *The Friendly Skies*, or whatever the latest incarnation of that campaign is. They may fool Grandma and Grandpa, who travel once a year, with that baloney, but anyone who flies regularly—anyone who is a desirable, heavy user in the category—knows that it's nonsense. United's attempt to change attitudes is a waste of time and money. The idea that they are going to change the minds of high-yield customers with their advertising, and that this is going to lead to better sales, is insanity.

Now let's take a look at Southwest Airlines. Here we have an airline that offers perhaps the worst flying experience in the nation. But they don't waste their money on "branding" ads (until recently). Instead, they wisely try to sell us something. They give us specific, concrete reasons to fly with them: lower fares, more flights, more convenient destinations. As a result, they have actually built a meaningful brand—a brand that stands for something concrete and discernible—while United and American, with all their "brand" advertising, have not. Someone please tell me what United stands for?

As Southwest demonstrates, the best way to build a brand is with persuasive product advertising.

Does this mean that the image components of advertising are irrelevant or unimportant? Of course not. You always want to look good, and there is no excuse for doing ugly, annoying ads. But first things first. The first order of business is to sell someone something.

You want to build a strong brand? Forget all the ethnography, sociology, sidewalk psychology, and brand babble. Make sure your advertising gives people a damn good, convincing reason to try your product.

You think that's simplistic? It's the hardest thing an advertiser has to do.

Chapter Sixteen: **Putting It Together**

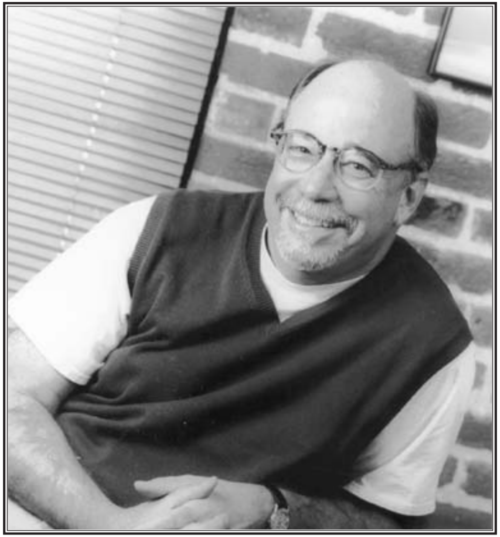
As I said earlier, Performance-Based Advertising is about probabilities, not absolutes. We're sure you can find examples of ad campaigns that disregarded all our principles and were successful. Just like there were times you didn't bother studying for an exam and got lucky. But just as there is a far higher probability of getting an A if you study, we believe there is a far higher probability of getting a better return from your advertising dollars by creating advertising based on PBA principles.

There is certainly nothing wrong with improving attitudes about your brand. And there are certain categories that are heavily attitude driven (e.g., cigarettes, alcoholic beverages, soft drinks, and fashion). But advertising is performing at its highest level when it is aimed at changing behavior—when it is giving the heavy hitter in your category a good, solid reason to do something different.

In order to get maximum value from your advertising, abandon false goals and old clichés. Focus on increasing your likelihood of motivating a change in behavior.

To help you on your way, here's a quick guide to the differences between conventional advertising strategy and Performance-Based Advertising:

Performance-Based Advertising	Conventional Ad Strategy
Primary goal is changing behavior.	Primary goal is positioning or branding.
Creative message is aimed at heavy-using, high-yield customer.	Creative message is aimed at a general audience.
Brand building is best accomplished through product experience.	Brand building is best accomplished through attitude adjustment.
Media targets are defined in category usage terms.	Media targets are defined in demographic/ psychographic terms.



Bob Hoffman is CEO of Hoffman|Lewis Advertising in San Francisco and St. Louis. Bob has also served on the board of the Advertising and Marketing International Network and is former president of the San Francisco Advertising Club. He has been CEO of MOJO/USA, president and creative director of Allen & Dorward Advertising, and a middle school science teacher.

THE AD CONTRARIAN

"This is full of fresh, surprising, in-your-face insights into how just about everything we take as gospel in advertising is wrong. I guess what Bob Hoffman is saying is that if we want to talk sense to our clients and set reasonable goals for our work, we're going to have to come up with a whole new language and belief system for what advertising is supposed to do, based not on clichés, but on how things really are."

—Andrew Jaffe
Executive Director, Clio Awards; President, Compass Consulting

"I loved . . . [this] book. It's nice to find a real thinker in the ad business these days."

—Jack Trout
Forbes.com

"Bob's approach to the ideas of simplicity and focus is refreshing. I began discussing these with agencies and staff the day after finishing the book."

—Neil Golden
Vice President, Marketing and Consumer/Business Insights, McDonald's USA

"It's mercifully short."

—Sharon Krinsky
President, Hoffman / Lewis