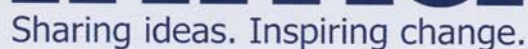


Ideas



REFORMING THE ADVERTISING CODE

ALSO:

- Conference Fosters Discussions on Circulation and Market Share
- A Formula to Migrate Young Readers to Daily Newspaper
- In Defense of the Broadsheet
- A Newspaper's Finest Hour

ADVERTISING is a sophisticated, flourishing art form with roots that go back a millennium or more. Over the past century, however, it has stratified into several castes primary among which are "BRAND," "DIRECT," and "PROMOTION." For various reasons, the separation has seemed right and, more importantly, appears to have worked. More and more, though, the distinction seems unwarranted — unproductive even. Something is wrong, and reformation is in the wind.



Reforming

THE ADVERTISING CODE

The conditions that have led to the separation of advertising communications into distinct specialties — and elevated “brand” to pre-eminence — are no longer valid. That means yesterday’s thinking is being applied to solve today’s problems.

It is a common failing, identified by at least two eminent thinkers. Kurt Gödel, a 20th-century Czech mathematician, postulated in his “Incompleteness Theorem” that the accepted knowledge and capabilities of our reason are inadequate to fully explain it at any given time. Or, said more plainly by Einstein, “The significant problems we face cannot be solved at the same level of thinking we were at when we created them.”

So we, too, should raise our level of thinking and have a new look at these advertising orthodoxies. Brand advertising creates consumer awareness hoping to drive long-term market favour. Beyond message awareness, its effect is essentially not measurable because brand communication is structured to be one-way.

“Direct,” on the other hand, employs media with a clearer connection to the audience. It seeks to convince and impel immediate action; its prowess being generation and quantification of response.

“Promotion” is the pop of the champagne cork, bursting forth to generate bubbles of excitement. But it goes flat quickly and is often only a lead-in to other advertising. For that reason alone, we will ignore promotion and concentrate on the other two.

The Context

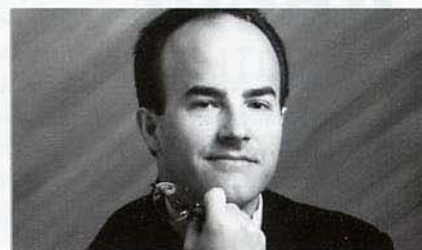
Stripped of pretense, business is about getting someone with money close enough to exchange his money (that you want) for your offering (that he wants) — repeatedly and at a profit. It is the act of commercial exchange. Alas, most of the world is beyond one’s reach and must be brought closer. That is precipitating the act of commercial exchange. We call that tactics, and advertising is a primary tactic for realising the business objective. With this simple framework in mind, we can review the historical context that gave rise to the modern advertising industry structure.

“Brand” and “direct” are the settled variations of advertising religion: the catholic and the orthodox, with the rest being variations. They split at some point, apparently when it became clear that certain advertisements were more or less successful than others in different situations.

Commercial radio then television were likely critical triggers for this realisation. For instance, while print remained a good choice for the call-



By Timothy R.D. Grayson



to-action, outdoor and television may have been less successful. On the other hand, many more people could be counted on to regularly hear/see radio and television messages.

Let us be candid: the "hotter" media are more suitable for the clever hooks audiences remember and repeat *ad nauseum*. The initial revelation probably came out of those sectors in which the products' very nature (for example, food, tobacco, and automotive) and sales channel, like at a retail location, mixed with the medium's unique constraints to inhibit a successful call for response.

The hypothesis at the end of the previous paragraph is a rationalisation of the path that led to the obvious outcome and status quo. It is insufficient because the fullness of the context that determined industry development is all but ignored. Context here includes social and political environments, consumer and industry sophistication, available media and channels, and state of technological development. It is a pre-condition of industry development.

For example, context is product categories and media options that are inhospitable to a call-to-action. It is the "Me Generation." It is the "Information Age." And so on. Exploring this context of the times will better illuminate the "brand versus direct" schism.

The Split Between Brand and Direct

Through the 20th century, commerce incited and solidified a rampant Western consumer culture. "Keeping up with the Joneses" moved from pastime to preoccupation, and the perceived need for stuff evolved to God-given entitlement.

Increasing affluence and limited easy access to information for (in)validating advertising claims made a consumer culture relatively easy to foster. Moreover, an innocence toward institutional information that would not be tested until Vietnam and Watergate was an inviting host environment for the acceleration of consumption-as-sport.

Even the cynicism and irony that would develop through the 1970s and beyond affected the separation of "brand" and "direct." First, it became evident that greater advertising volume was required to overcome the resistance of rising scepticism toward the industry.

Resistance that was given a voice by renewed interest in Vance Packard's *Hidden Persuaders* (1957), Marshall McLuhan's *Understanding Media* (1964) and *The Medium is the Message* (1967), and Wilson Bryan Key's *Subliminal Seduction* (1972),

among others. In addition, advertising would have to become even more subtle and indirect to breach the walls being raised.

Prior to the mid-1990s, advertising was largely constrained to increasing sensory impact by form and volume alone within established media options. Through this period, media was uni-directional, and it was only with broad-based access to the internet that advertising had access to true bi-directional communication.

Consumer response options were limited to mail and telephone, and these technologies were cumbersome and ineffective for the purpose. Telephones were location-locked until the 1990s; without interactive voice-response automation the cost of telephone response was practically uneconomical in many situations. Such severe limitations on what could be done with a consumer's response questioned the point of even asking for it, all of which played to the strengths of "brand" from the 1960s through the 1980s.

So the mere posting of a response channel in the "brand" context was ineffective because the brand message suffers from inhibited "transport." That is, a prospect must be so compelled by the content, and the message has to be so portable, that she will "transport" her interest to a convenient time and place to initiate and participate in the response activity regardless of channel.

That can be a lot to ask.

The Chasm Between the Message and the Response

In short, the chasm between advertising message and response made a lot of advertising ineffective for the call-to-action. Yet there remained cause to push messages broadly at consumers. And that push seemed effective in the circumstance. These, among other contextual conditions over the past 50 to 70 years, created an ideal environment for the distinct development and predominance of imagery-based brand advertising.

The respective successes of "brand" and "direct" (which had continued to address the business purpose more "directly" despite technical and media constraints) led to followers and methods: a natural response and reasonable evolution.

Specialty areas were designated inside agencies; boutiques broke away to concentrate on one or the other to profess and deliver expertise. And so on. Eventually, these specialties which began knowingly as the best-alternative course of action in the

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circumstance tipped so that the distinction effect became the distinction cause.

Instead of having a “brand” form because the circumstance makes brand advertisements an optimal alternative, the conventional brand advertisement is because there is a brand specialty.

The nuance of this inversion is not merely obscure word play. It is critical because the evolved causal structure speaks to a belief system and rationale rather than reason.

Rationalising enforces archaic distinctions: even where none are warranted any longer. It traps psychic energy in the specialty itself, guaranteeing bias. Thus each form will define and frame the business circumstances and objectives of advertising to accommodate that form’s strengths.

That is no longer optimal.

Typically a dogma is codified somewhere. If not, it will fluidly accommodate internal shift. Is there such a code in advertising?

Yes, two in fact.

Old-Fashioned Ideas

In the early 1980s, a thought-rationalisation argument that would cement “brand” orthodoxy was unleashed. Jack Trout and Al Ries’ positioning: The battle for your mind was by all accounts a revolutionary rethinking of brand marketing “how.” Within the metaphor of battle, Trout/Ries presented an elaborate approach to commandeering the consumers’ mind that widely extended simple imagery.

The marketer could — using appropriate brand techniques — “position” itself in the consumers’ favour so that she would just naturally “pull” that brand when eventually purchasing. More than that, it implicitly assumed universal principles (later “immutable” laws) and market conditions: the consumers’ collective knowledge and willingness to be controlled.

In short order Trout/Ries assumptions became accepted wisdom. Within the context of the day — no cellular telephones, internet, or personal computing — much of their argument appeared relevant and effective, maybe even immutable.

Some of the psychological principles underlying the theory are, in fact, slow to change. But an altered consumer environment has put their laws in jeopardy of being outmoded if not outright wrong.

Most significantly, while revolutionising the practical “how” of brand advertising, the Trout/Ries gospel chiseled the brand “why” dogma in granite. The significance of “positioning” cannot be understated in this evolution of advertising orthodoxy. Despite subsequent fads and trends, shifted tactical favour, and

changing industry conditions, new generations of marketers perpetuate the Trout/Ries’ broad framework largely without question.

Direct — The “Other” Form of Advertising

While all this was going on, Les Wunderman was exploring and pushing forward the more traditional form of advertising to be referred to as “direct.” Using a simple device, Wunderman’s Columbia House/TV Guide experiment proved that a response-capable call-to-action in broadcast media increased response and sales.

Unfortunately, by then the outright crassness of blatantly requesting the consumer buy, request a trial, or just respond in some way, was out of favour with marketers and advertising professionals. Despite the consumer responding to direct marketing’s specific targeting, relevant offer delivery, and incentives for action, “direct” was that “other” form. Basically Wunderman’s method did not fit “brand” theology and, despite real benefit, was left to continue on its own.

Today, as we know, there are two. They are often pejoratively classified within a framework that sustains this structure: push-and-pull marketing. That frame could also stand a little elevated thinking.

Pushing Pull

The standard marketing definition is that to “push” is to force the consumer; to “pull” is to have the consumer ask for the product. Push is a supply-side process; pull is a demand-side process. And demand, being more intrinsically attached to market needs and desires, is more powerful marketing.

“Brand,” you will hear, is real pull because of its subtlety in convincing the consumer to buy; “direct,” although still a pull, is more overt in its aim and thus pushes more. Be all that as it may, it is hair-splitting. Marketing — advertising — is a push.

For good reasons, marketing is rarely a true pulling activity. One reason is that humans seek control, and we will gladly convince ourselves that we have it despite blatant proof to the contrary. Within this human reality, marketers cling to the notion that they are in control and consumers can be directed by clever communication.

Another reason marketers are pushers is that consumers have not been instrumental in true pull activity. The means to do so — to participate in impulsive, relevant, and iterative dialogue — have been insufficient, as we have seen. In a world of ever-narrowing and fleeting attention, a “pulling” demand society can only exist if those demands can be affected and addressed instantly.

So, in the absence of consumer pull capability, marketers interrupt and lecture consumers, pushing stimuli to elicit a desired reaction: a purchase. But it is still called "pull" — to varying degrees depending on which is your chosen philosophy, "brand" or "direct."

Shifting the Context

Inevitably, times change and context shifts. For advertising, technology has narrowed the message-response gap, information access and knowledge has shifted power to the consumer, and cynicism undermines message credibility.

While some principles persist, others are inoperative. This is nothing new: technological advance often triggers social change and a contextual shift. In this case, social, technological, and political pressure cells are disrupting the advertising world.

Much is being said of a power shift to the consumer as a result of both decades of abuse by marketers and recent technology-enabled capabilities. Searls and others were at the vanguard of this idea with *The Cluetrain Manifesto*. In 1999, they anticipated the change and called for a profound re-addressing of marketing method.

Current studies repeatedly confirm that today's consumer wants and takes control. Aided by technology and legislation, consumers dictate the terms (time, place, and content) of commercial communication.

The New Consumers

Upon meeting resistance, these New Consumers change tack: They actively ignore the advertiser or change the rules. Old model advertisers are being held outside formidable gates to Paradise, and pushing harder is near futile. It is this realization that underwrites Madison Avenue gloom.

One cause of advertiser angst is facing up to the bankruptcy of the push method and the war metaphor on which it and Trout/Ries

rely. In war, it is essential to push and the others' response can be only one of two things: opposition or capitulation, the latter being preferred.

So it has been with marketing. In business, though, a different response is desired: interest and cooperation. We want positive engagement. But there is a catch. That kind of engagement demands interaction: both voices in dialogue.

Today's younger consumer expects and demands instant, authentic, and relevant engagement. The internet first brought a world of on-demand, instant information to the masses. Then it became interactive.

The ability to research and verify claims, to demand interaction, and to find alternatives requires marketing communication to evolve beyond pre-programmed, one-way messaging. Because instant gratification and convenience are equally critical to consumers, marketers also must come to terms with message timing, iteration, and rhythm — just like in conversation.

The consumers' control of information flow rivals their control of communication. Particularly on the internet but in every aspect of commercial communications, the consumer is making a stand on privacy. Overstepping the bounds of how the consumer has agreed to permit contact and use of personal information is strictly out of bounds. Within is the desire to remain anonymous pending explicit initiation of engagement with the marketer.

More challenging: legislators support it. For instance, the Canadian Privacy Commissioner ruled that a secondary marketing piece within a statement mailing constitutes an invasion of consumer privacy. Never have consumers had so big a stick.

If all that were not bad enough, it all rests on the observation that today's consumer defies aggregation into the substantial, dense, and persistently homogenous "segments" of yesteryear.

The world offers too many options and the zeitgeist impels us to express transient, fashion-driven individuality through

Reforming ADVERTISING ORTHODOXY

Consumers have become continual shape shifters, implying a critical need to connect broadly and quickly, then narrow down to specifically-relevant communication at the near-individual level.

There is much more, but suffice it to say that enough about the advertising environment has changed to recommend that the separation between "brand" and "direct" is no longer relevant, and that the orthodoxy needs to be reformed. In short:

- Consumers do not take in most advertisements anymore because they are overloaded with and oppose "invasive" messages.
- Consumers are aggressively and pro-actively stopping incoming messages using technology, law, and their innate ability to ignore.
- Advertisements that consumers do accept are mentally triaged for consideration under the protective blanket of anonymity or privacy, leaving the consumer at a distance.
- If, and only if interested, the consumer demands and then controls an iteratively more meaningful dialogue with the marketer.

If image advertising that does not engage the consumer is not effective, and neither is single-iteration invasive call-to-action, that is a problem. At the same time, "brand's" "invitation" to more and "direct's" response-enabled engagement can work.

So one option may be to have a brand advertisement with a call-to-engage: an offer to make a value exchange — to get closer. Interested consumers are invited to interact if it suits them. It is about making increasingly more valuable contact with an increasingly more relevant audience that has actively qualified its interest.

Current studies, REPEATEDLY CONFIRM that today's consumer wants and takes control. Aided by technology and legislation, consumers dictate the terms (time, place, and content) of commercial communication.

commonality in deep but narrow quality sets. Already-splintered markets will continue to destabilise, probably with increasing velocity and fluidity.

Creating Engagement Opportunities

However, there is good in all of these dark clouds. The storm winds have blown in many instant-response options for creating consumer-initiated engagement opportunities. Communication technology, especially, is decades ahead of when "positioning" and its supplemental newer testaments were fresh.

The pervasiveness and simplicity of response mechanisms — from internet to mobile voice and SMS, from WiFi hotspots and wireless-enabled PDAs to low-cost interactive voice response systems — makes every medium suitable for response advertising. And, if the dot-com experiment of the late 1990s proved nothing else, it is that the elegance of consumer interaction can reach artistically inviting levels.

The industry's early response to this evolution was customer relationship management (CRM) and consumer-focused marketing as pioneered by Peppers and Rogers in *The One to One Future*. One-to-one CRM today, however, remains an anemic attempt to be more direct and meaningful to each person.

Its value is further threatened by the prevailing consumer privacy and information control mentality. Moreover, it does nothing to bridge the broad push of a brand message with the pull of direct-generated consumer response. Such a bridge, imbued with the personalisation that artistically deployed CRM can create, is the next step: a progressively more intimate interaction between seller and buyer.

John Freeland, Accenture's global CRM partner, agrees, proposing that, "the third wave of CRM will bring about the ultimate transformation of customer experiences ... by creating a series of 'intelligent conversations' that build over time into a long-term, meaningful dialogue."

Wireless technology particularly carries the chance to evolve the art and science of consumer interaction in a fundamental way: from push to pull. What the internet began and begat — the capability and demand for interaction — wireless pushes into all aspects of daily life, not just where a computer mediates.

A word of caution: the consumer's tolerance threshold for superimposing the invasive "push" methodology over the wireless channel is extremely low.

Today's opportunity for marketers is in the answer to this question: "What if available technology permits all advertisements to be truly response-enabled?"

Which is to say that brand-type advertisements could be used

to interest consumers with a call-to-engage using wireless and internet as the instantaneous and interactive response mechanism — regardless of advertising medium or category.

Response technology now affords an anonymous initial engagement, and consumers have been shown to be more willing to make the first step under that condition. Since the technology permits an interested consumer to respond instantaneously at any moment, when the interest is raised, initial engagement messages could be more broadly targeted.

High impression rates against narrow target markets would be traded for vigilant responsiveness to genuine consumer interest in a continuing exchange on the path to purchase. That would be a significant elevation in thinking.

This technology-enabled shift presents one more critical change to advertising accepted wisdom: the business effectiveness of all advertisements becomes measurable.

"Brand" and "direct" advertisements could be subjected to the same meaningful ROI-driving "response" metric. Such structurally unattainable business measures have been in the past and continue to be eschewed by "brand" in favour of simple awareness measures.

Why, when the technology and environment of the 21st-century affords better measurement? What is to be feared of besides revealing the hollowness of the dogma?

The Time For Change

From my vantage point, advertising and marketing is undergoing a tectonic conceptual shift unlike any since Trout/Ries brought "positioning" into the marketing lexicon. To make that case we have examined the conditions that gave rise to and sustained the "brand"-direct schism, as well as the new conditions that render the distinction no longer valid.

Based on this view, it would seem that the advertising industry inertia and ritual — adherence to dogma — is the probable cause of resistance to new media/response channel combinations that are available to advance the art and science.

To that end, the dominance of "brand" advertising and its persistent reliance on and propagation of a bankrupt framework is, frankly, both confusing and counter-productive.

It is time to change.

Too many marketers have lost focus of the business objective in favour of adherence to a particular tactical form. Separated forms that are no longer as effective separately as they once were.

Smart marketers — those who would leapfrog ahead in this advantageously uncertain period — will embrace the change and the opportunity. ■