

PUGET SOUND

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Business Leaders Get It.

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The demise of advertising, the rise of marketing

Advertising agencies are in a panic. And it's about time. You hear a lot of chatter about the death of the 30-second commercial and the fantastic powers to be gained by learning the hidden secrets of social networking and Web 2.0.

But the problem is deeper than that. It's not about the medium you use, it's about advertising's whole reason for being. Whether the world is aware of your brand isn't the point anymore. It's whether they're buying your products. Advertising isn't the answer to that problem — and agencies are just figuring out they're about to become irrelevant.

I'm reminded of junior high school. When a new fad struck, the cool kids were in the know and the rest of us were terrified about being left behind.

Now the cool kids — the ones who are producing those doomed 30-second spots — are running scared. They're looking for the next big thing, the formula they can replicate. But advertising trends are coming and going faster and faster. Even the hippest are in danger of looking like last year's fashions. Building a profile for your brand on MySpace is so 2006. Second Life? If you're still there, you must be a loser.

The simple truth is that advertising lost its way long before Web 2.0. It took the internet to prove what John Wanamaker said a century ago: "Half the money I spend on advertising is wasted; the trouble is I don't know which half."

I believe the cool kids have it wrong. The salvation of advertising is not about getting your commercial to go viral on YouTube.

Advertising has forgotten how to sell: The people who hire ad agencies want to sell stuff. But I'm not sure that most advertising agencies want to sell — or think that selling is even their job. They want to tell a story. Or create brand awareness. Or win an award. They're deeply distressed by

MARKETING WISE



Spyro Kourtis



about selling something. If it's not persuasive, why bother doing it? When advertising moves products, it almost seems like an accident. The Aflac duck gets you to remember the name — an important first step if your sales model requires your prospects to find you. But research has shown that the advertising itself sold nothing — just the name. And what an expensive strategy. Only a very large company could afford to make the investment of millions of dollars that it took to make that duck so famous.

In fact, I'd argue that any sales increase attributed to advertising the duck came because the company spent the millions — regardless of the creative execution or the brilliance of the media plan. Back when everyone watched TV, if you saw any commercial running several times on a popular television show, it gave the company a certain amount of credibility, even if you hadn't heard their name before.

Marketing will be picking up the reins: Advertisers are already turning to seasoned direct marketers to make sales. Or, if not seasoned marketers, to the digital whizzes and search engine geeks who can show them measurable results.

Here's the difference. Advertising is

what Advertising Age has labeled the post-advertising era. (Will they change the name of the magazine to Post-Advertising Age?)

That's why marketing — a numbers-driven discipline — is set to take over advertising's turf. Marketing isn't entertainment. It's

about impressions. Marketing is about relationships. The move away from advertising over to marketing is a logical next step. Advertising is about reach. Marketing is about targeting, which is almost always more efficient and effective. Advertising is entertainment. Marketing sells.

But don't take my word for it. Look at the numbers. More money than ever is being funneled into internet advertising, which mixes both traditional advertising and traditional marketing. Even tried-and-true direct marketing media — like the U.S. Postal Service — are growing. These traditional outlets must grow because, at least for now, there's not enough room for advertising on the internet to take up the slack for the loss of so much television advertising budget.

Warning: All marketing is not created equal. Buyer beware. It's just as easy to do a sloppy job in marketing as in advertising — although in advertising it's harder to get caught. Marketing materials can be boring and full of jargon, and often seem to be written by committee.

At the other extreme, in an effort to sell hard, marketing messages can be shrill and full of hype. Targeting the right market is much, much harder than it sounds. Measuring results takes forethought, planning, focused attention to detail and a lot of work on the back end.

When your work gets graded on a daily basis, the world of marketing is not for the faint of heart.

But it's good to know that professional marketing is on the upswing — not a fad, but a movement to common sense. Finally, the math geeks are about to become the cool kids.

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