# TRADITIONAL v. EG MARKETING

## EXPOSURES AND MOTIVATION

Since the dawn of the industrial age, it has been an article of faith that the *purpose of marketing* is to build **exposure** and **motivation** for your product or service. Salespeople would then follow up with a cold call and close the deal.

The entire edifice of marketing was built on the concept of "*push*." We start from the viewpoint of the company (rather than the customer) -- we make something, and we convince people to buy it. We do that by pushing out marketing pieces to potential customers. The job of the marketing department is to get a high volume of exposure for its marketing pieces and to create motivation.

These traditional marketing objectives are based on two central beliefs:

1) Exposure quantity is the key metric
2) Motivation can be created

Take, for example, the following traditional approaches using quantity thinking:

<u>Cold Calls</u>. The most basic sales approach used by many businesses is Willy Loman style cold calling. Willy Loman was the main character in the Arthur Miller play "Death of e Salesman" that many of us had to read in high school. His job was to trudge door to door carrying his leather sample bag until he made a sale. His boss believes that sales is a numbers game. "We make two sales out of every 100 cold calls," he tells Willy, "so your goal is a hundred cold calls this month."

<u>Ad Exposures</u>: The ad industry has studies that indicate it takes 10-14 exposures before a customer can recall the message and the company. The relationship between recall and actual purchases is even weaker. Over the years, the marketing industry began to drift from actual sales metrics and moved to the entertainment appeal of the ad. An ad was judged to be good if it caught your attention and you remembered it, not if it increased sales. Ad exposures was the key metric.

<u>Promotional Items.</u> Another variation of exposures is the 'top of mind" theory that says flooding the potential customer with company name/logo/slogan will result in a decision to use the company when it comes time for a purchase. Promotional items are a classic example. The idea is to permeate the customer's office with the company name on pens, coffee cups, mouse pads and water bottles to keep the company name top of mind. Quantity counts. The weakness in the argument is that most customers will investigate all of their options before deciding. The acid test is to make a list of purchases you have made based on the promotional items in your office and house. What was the last item purchased because of a logo on a coffee cup or pen?

<u>Click Bait.</u> Click baiting entices you to click on an unrelated item in order to show you ads. Listicles (list articles) lure people into stories like "What Do These 1980 Movie Stars Look Like Now?" or "The Best

 

Town in Every State" or "Scarlett Johansson  Stuns in a Red Swimsuit" and then plants ads in between the slides.  Click baiters get to charge for every person who clicks on the site even though the motivation was Scarlett Johansson and not the insurance plan.  The number of exposures counts in click bait world.

Carpet Bombing Ads.  Carpet bombing refers to a marketing method that focuses on massive use of indiscriminate messages to create "exposure."  It is a term that came from the military when it saturated an area with bombs not knowing exactly where the target was.  Carpet bombing marketing occurs with mass media ads, mass mailings, Internet banner ads, cold call lists and similar efforts.  Carpet bombing is based on the idea of sending messages to everyone in hopes that some of them are the actual target. Quantity counts.

All of these marketing techniques are based on the idea that the volume of exposures is the key metric. Sales will fall out of that effort.  In reality, that is true to some extent.  It is, however, a very expensive and inefficient process.

Let's use the children's board game called Battleship to understand what is happening.  In Battleship, a pegboard stands vertically facing both players.  You put your ships on the pegboard, as does your opponent.  You then call out numbers on the matrix:  A5  C19  H13. These  correspond to dropping bombs, trying to sink your opponent's unseen ships.

If we say that matrix on the peg board is all the potential sales call in a year (1,000) and the ships are equivalent to the companies that will actually buy during the year (36), then marketing's job is to find the 36.  Willy Loman starts in the upper left-hand corner and works his way across the row – A1, A2, A3. Eventually he gets to the first ship at B16.  He continues this process until he has called on all 1,000 companies and he discovers all 36 companies who are in the market.  So, the metrics are *one year* and *one thousand sales calls*.

## CREATING MOTIVATION

The second belief is that marketing needs to create motivation.  It assumes that our product has such superior characteristics that the target customer will buy.  What it does not consider is that the great majority of the target market already has vendors and suppliers. Often, they are happy with the product/service, they know the guy, they get good service from the company.  Changing vendors has risk.  I may have to go to my boss and ask for money to leave something that is working for something unknown.  That's a big career risk and if it goes bad, I may lose my job.

Established markets can be thought of as a vast landscape of blue stability with occasional pockets of red change. On any given day, very few companies are motivated to make a change. You can certainly make Willy Loman cold calls to try to create motivation, but these will be low probability efforts.

The counterpoint to Willy Loman is the movie "Moneyball" starring Brad Pitt.  The movie is a true story about the Oakland A's baseball team in which the manager hires a recent grad student in statistics.  The argument is made that the A's don't need to pay outrageous money for home run hitters, but rather they needed players who got on first base. Runners on first base can score. Using that simple idea of working smarter, the A's set a major league record for 20 consecutive wins.  There is also a way to work smarter in marketing and sales.

What if instead of looking at the problem from the company's viewpoint, we looked at it from the customer's viewpoint? Consider this. Buyers go through a four-step process: motivation, investigation, evaluation, selection. In simple terms this means

- I want or need something
- What are my choices?
- Which one is best?
- I'll take this one

This purchasing process is the same whether I am buying a million-dollar machine or a snack at a convenience store. It may vary in complexity and length of time, but it runs the same course. The *motivation* step may come from a complex production problem that has arisen in our company or it may be a simple hunger in a convenience store. The *investigation* step for an expensive machine may run over weeks or months, whereas a search for a snack may be as simple as scanning a shelf in a convenience store. For the machine, the *evaluation* step may be complex, with a number of interrelated factors like price, durability and maintenance costs, whereas evaluating the best snack may be as simple as "chocolate." Finally, we arrive at *selection:* I'll take this machine and that candy bar.

Whereas traditional marketing starts with creating motivation, what if we looked for people who are already motivated? If we can find people in the investigation stage, then we don't have to worry about motivation anymore. We just intercept them with our marketing collateral before they get to evaluation and selection. We are no longer in the motivation business. We are in the intercept business.

In our Battleship game analogy, if I could spot companies who are in the market, we could focus on those 36 companies at the start of the year. Both Willy Loman and I are going to find those 36 companies. His method is going to be very expensive and inefficient—a numbers game. Willy Loman will slog through low probability territory all year long stumbling onto the high probability companies one at a time, while our salespeople will laser target on the 36 right from the start. Once we identify who is in the market, we just have to stand in the channel they are using to investigate options.

The best way to think about this approach is a "sales window" which opens once motivation is established and closes when a selection is made. Contacting a company that is inside this sales window is working smarter. Outside of the window is traditional marketing.

Marketing shifts from "push" to "intercept."

## SUMMARY

Traditional marketing is about "push" from the company. We make something and we use marketing to convince people to buy it. Our approach is extensive exposure combined with creating motivation (step 1 and 4. We spend a lot of time with low probability targets, and we rely on a "numbers game" to find companies that are in the market. It is expensive and inefficient

Working smarter means identifying companies that are in the market (giving off signals of change) and contacting them when the sales window is open (step 3 and 4). Marketing shifts from "push" to "intercept."