

By Fred Geyer, Partner

For all the great marketers and marketing in the world, we still see too many instances of those who put the cart (or tactics) before the horse (or the need to meet critical customer needs)—and, as a result, strategies and initiatives that fail to make the finish line.

Consider:

Amtrak decided the trick to attracting new passengers lay in adding new trains. But the rail company actually turned everyone off because the additional trains caused delays when the infrastructure couldn't support the extra traffic.

Then there's Starbucks' new and presumably less expensive coffee cups that match neither the color nor design of Starbucks' famous logo. The result? Cups that are more generic at a time when Starbucks is trying to reinvigorate and differentiate itself.

Maybe you were surprised to hear that Oracle is the name sponsor for the Oakland Arena, the home of the Golden State Warriors—an admirable role, to be sure. Yet the question arises as to how that sponsorship ties back to the software giant's value proposition or how it links to what matters most to its customers.

Tactics that don't deliver what customers want or need aren't just wasteful in the short term, they also damage brands by making them less relevant to their customers. In a world of aggressive competitors and savvy customers, marketers cannot afford to do anything that makes them less salient in their customers' minds.

Here are five questions to guide your assessment of whether cart-before-the-horse marketing might be keeping your organization from achieving the most effective results.

1. Are you putting Media before your Message?

It's far too easy for marketers to fall in love with the medium and let it drive the message. The pressures to do so are great. Every medium has its own sales people, rating services, and agency advocates. They dwell on surface considerations like production values and entertainment instead of the brand's core promise. But the marketing landscape is littered with great looking, entertaining

communications that failed to drive sales because they did not give the customer a good reason to buy. My former boss got considerable flack for killing the award-winning “Mean Joe Green” spot for Coca Cola. But it didn't increase sales while other spots did. More important, other marketing vehicles like vending machines and sports sponsorships delivered Coke's refreshment message far more effectively. It pays to be media agnostic at the beginning of each new initiative, focus on the core message, and then make the media choices that fit the message.

2. Do you focus on attraction before satisfaction?

Too many marketers appear to believe that great marketing is all about attracting new customers, concentrating on more seductive advertising and promotion to increase awareness and consideration when instead they should be driving existing customers to buy more. That, however, requires the less glamorous task of increasing satisfaction. It demands constantly updating solutions to meet changing customer needs, providing truly helpful after-market support, and delivering enjoyable customer purchase experiences. It also poses institutional challenges. Marketers must be given input into pricing and product development decisions that have long been the domain of finance and engineers. But, customer satisfaction is a money maker. Crayola is one brand that constantly finds ways to improve the home and school usage experience through innovative new products and a dynamic Web site while also making the shopping experience easier and more enjoyable. In doing so, loyalty is successfully cemented with existing audiences and a new audience is cultivated every generation.

3. Do rollouts occur before research?

An all too common refrain is “we don't do research because we can't afford it.” Inevitably, it's said just before another launch—most of which fail—costing thousands and sometimes millions of dollars. Investing in a new product or service launch without asking customers what they want is an enormous waste of money by the very people who profess they are trying to save it. Their

ignorance blinds them to three indisputable facts:

- The cost of research is typically insignificant compared to the cost of a failed launch.
- Modern Internet research is inexpensive.
- Many do-it-yourself research options are available for startups and entrepreneurs.

By not putting in the time and effort to listen to customers, marketers confuse output, the number of line extensions launched, with the greater impact that research could provide on sales or profit. Wal-Mart prides itself on cost control and extensively uses customer research to improve rollouts. The giant retailer utilizes a wide variety of customer listening tools, ranging from formal research to point-of-sale tracking of what people buy to monitoring customer feedback on the Web to simply questioning customers in the store. A key to its success is sharing learnings throughout the company at weekly managers meetings. The result is superior execution and an ability to adapt and improve rollouts—to the envy of other retailers.

4. Are attributes more important than benefits?

Marketers naturally fall in love with the products and services they make and sell. The problem is they end up telling customers all about their “love” (i.e., how they create the product, the care and attention they give their products, the extra features their product contains) and forget to look at the offering from the viewpoint of the customer. This makes marketing a telling exercise masquerading as communication. Customers don’t want to be told what to do; they want companies to listen to their needs and provide solutions. The product details are only meaningful when they help support meaningful customer benefits. The current Mac versus PC advertising campaign puts the Apple approach to providing ease-of-use benefits in stark contrast with PC’s feature-laden, but benefit-deficient solutions.

5. Do you price to cost before determining what customers will pay?

Pricing to maximize current and future profit is the acknowledged goal of every business person. It’s

remarkable, however, how little effort is expended, in practice, to actually accomplish this goal. Most businesses use an internally-driven approach that drives pricing decisions based on internal costs instead of customers’ willingness to pay. It results in two predictable outcomes:

- Some products become overpriced to the market and are replaced by alternatives with more appealing value.
- Some products remain underpriced and the opportunity to build demand by using the extra margin dollars to support the product is lost.

The solution is empirical, market-based experiments that test the impact of price changes on demand. When it comes to pricing, marketers can learn a lot from the way magazine publishers conduct price experiments. Each time they mount a large subscription drive they test alternative prices and offers among small groups in the database so they have the data to optimize pricing and profit in future offers.

Is the solution to eliminate media planning, rollouts, and price increases? Of course not. But marketing should not be driven by tactics and activities. Strategies and plans that take customers into account must guide tactics: When they do, marketing generates both top-line and bottom-line results.

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