

Wilhide & Company

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It's spring. Finally. What better way to greet it than by taking a few minutes to read this?

OBSERVATIONS

May 2004

A Journal Of Things We Find Interesting

What's New?

This year's graduate class at St. Thomas is a delight -- a small group of students, but very smart and engaged. We've heard from an exceptional group of guest speakers and I asked them to comment on what they think is new and significant in advertising this year. Here's some of what they've had to say.

Sandy Willats, an account planner at Martin Williams sees "a greater blending of entertainment and business" in ads. "Ads need to look like entertainment to get people's attention. But they need to blend the creative approach with a well-conceived advertising plan. You need to make it relevant, not just goofy."

Ms. Willats thinks that a lot of ads fail to sell because they go too far on the entertainment end and don't consider the audience. She singled out the Super Bowl Budweiser ad that featured a farting horse, an approach that was amusing but raised questions about how strong a selling approach it offered. This comment was echoed by several female members of the class.

I'm not so sure. I would guess the target audience for this spot is more skewed to young, male, beer drinkers than to female grad students and marketing professionals. For the target audience farting and beer is a natural link. It's on the edge, but then so are many good ads.

Ms. Willats was asked how ads can break through the clutter. She argued for "sustainable marketing" rather than more advertising. A good, integrated campaign can help build a consistent brand and make the advertising more attuned to the audience's expectations.

Erin Keeley, with Fallon Brand Consulting, sees a similar blending of "art and commerce" as advertisers try to link entertainment to branding efforts. She cites BMW's use of internet movies and Coke's involvement with American Idol. "Most of these get half way there but don't quite address the changing landscape" of consumers who are no longer a captive audience and can choose which advertising messages (and media) they care about.

She also cites "a bit of desperation" as advertisers and agencies try to recover from the deep depression of the last couple of years. "Suddenly anything that was status quo seems bad and anything revolutionary seems good." This leads to a lot of failed experiments, but also sets the stage for new approaches. "The industry is way overdue for fundamental change and I hope it comes in 2004."

In discussing the campaign for Citi bank Ms Keeley noted that the background research revealed that "consumers don't like banks, but bankers love banks." This set up a lot of advertising that nobody cared about and an opportunity to differentiate Citi as the bank that cares about "living a happy life." This approach appealed to the "balance seeker" segment of the audience. It remains to be seen if the campaign will succeed in linking these life style ads to a preference for Citi's financial services.

Paul Frett of Target and **Lawrence Bricker** of Popularfront.com discussed

new strategies for using the web as a marketing tool, focusing on Target's creation of "micro sites." The initiative was driven by a desire to link Target's web presence more closely to its branding efforts. Since last summer Target has created a series of discrete sites targeted to specific audiences -- a music site for the under-20 audience, sites featuring various Target designers and Target/Baby aimed at expectant mothers.

Mr. Bricker sees "the interest and understanding of web marketing increasing and maturing." He thinks "sophisticated web-centric communication plans" are becoming the norm rather than plans that just add the web as an afterthought. He also believes we will see "brand extension become an important aspect of web presence and sites will begin to differentiate instead of mimic each other." We'll also see web sites become more effective as personalization and customization becomes more prevalent.

Mr. Frett sees web initiatives becoming "a standard and integral part" of advertising campaigns. This allows marketers to drive people to their web sites through both online and offline advertising and allows campaigns to "reach the next level, capturing names while providing added value to prospects and customers."

He also thinks that large marketers (like Target) will use the web to provide more and deeper content for customers. This will enhance their ability to strengthen and extend their brand with various audience segments.

Ted Loken of MarketLogic talked about direct mail and direct market-

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Doug and Jean Wilhide

ing techniques. He thinks the trend now can be summarized in one word: "metrics." Direct marketers are "developing a better understanding of where the ROI is" and this is leading them to greater proficiency in targeting their work.

Good direct response people can now predict what the return on their efforts will be with greater probability and focus on the approaches and audience segments that are likely to be most productive. This has an impact on list choice and segmentation as well as the kinds of messages that are aimed at specific segments.

We are a divided industry. Direct response people are improving their targeting efforts while general advertising people seem to be missing key demographics.

We've had a number of interesting discussions about the difference between advertising now and, say, 10 years ago. The two trends that keep coming up are demographics skewed to younger audiences and a disconnect between what is memorable about an ad and what the product is.

Too much advertising continues to be aimed at a younger audience in spite of the demographics about buying power in the 50+ market (see boxed data). I maintain that this is due to the fact that most advertising is created by younger people who seem resistant to creating ads not aimed at themselves -- a dangerous situation for marketers who want to go where the money is.

If you look at the good ads created in the late 80s and early 90s and compare them with ads now, it's hard to escape a feeling that current ads fail to make the connection between message and product. You may remember the ad -- whether it's farting horses or cat round-ups -- but it doesn't plant the product in your mind or entice you to buy.

It seems to me that we are a divided industry right now. The direct people are using the web and various kinds of metrics to target messages and audience

Are you reaching the right audience? Some data from AARP

* The 50+ demographic continues to be the fastest growing segment of the market.

* It controls 70% of the net worth in the U.S.

* The 45+ demographic accounts for half of all discretionary spending.

* The 50+ demographic accounts for 40% of all consumer spending but is targeted in less than 10% of all advertising messages.

segments more accurately. The "general" advertising people continue to talk about branding, but the work is confusing and leaves key demographics out of the mix.

Maybe we need to bring back that old warhorse, David Ogilvy, who argued vigorously for new creative approaches, but just as vigorously for understanding what advertising is about: "it isn't creative unless it sells."

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