



Tales From The Marketing Wars

Fixing The Ad Industry

Jack Trout, 08.08.05, 6:00 AM ET

The press is abuzz with stories about big companies moving dollars out of traditional advertising media and into product placements and other newer marketing methods. One expert after another is predicting that the ad industry as we know it has lost its way and is in decline. Stories about **TiVo**, buzz and the Internet are all the rage. But before everyone packs up their resumes and jumps ship, I think it's time for a more reasoned view of things--or at least one that gets us away from all of the negative hype and the doom and gloom. Let's start with what should be the role of the advertising agency.

Traditionally, the agency's role is to be the objective "outsider." The agency counsels the client on how to best sell their products or services to their marketplace, how to position the brand vis-a-vis the competition, and how to verbalize their message with that "reason to buy." Candor and honesty were always the hallmarks of a good agency/client relationship, as agencies played a major role in developing strategy for their clients.

A true story is in order here: Many years ago, a senior account supervisor was reminiscing to me about the old days in the business. He recounted a meeting in a hotel where the CEO of the client and the head of the agency were lying in bed together discussing strategy. The account supervisor said to me, "Jack, the industry problem is that we're not in bed with the CEOs anymore."

He was right. As the years have rolled by, I've seen less and less of that kind of relationship. Agencies have backed off on pushing strategy, as clients became more assertive in this regard. Instead, agencies retreated to creativity, emotion or humor as their contributions to the brand. The net result: Today, a lot of advertising lacks that reason to buy. Too many people looked at the advertisement and said, "What are they trying to sell? It's no wonder clients are beginning to question traditional advertising's usefulness. As Pogo would say about the ad business, "We have met the enemy and he is us."

Step One: Get Back To Strategy

Forget about emotion, bonding, borrowed interest or show business, agencies have to rebuild their reputations around being able to help top management figure out the right competitive strategy for a brand. In simple terms, they have to be able to help establish the point of difference for a brand. Forty years ago, it was called a "Unique Selling Proposition." In more recent years, it has been called a "Position." In all cases, it's why a customer should prefer your product over the many other choices out there.

This difference is your ultimate weapon against all of this talk about who needs advertising when you have "buzz" and "product placement." Unfortunately, most of these new marketing tools that are getting all of the attention don't enable you to deliver that message. All they are good for is getting a name out there with no story attached.

Consider the famous *Oprah* giveaway of 200 **Pontiac** G-6s. (It won a Cannes Media Lion.) The result was great press but lousy sales, which are 30% below expectations. What was missing was the story about why I should buy one if I didn't get one for free. On the other hand, strategy

gives you a guide for all of these newfangled activities. This differentiating idea can be carefully introduced into these non-advertising vehicles. In other words, your carefully developed strategy is the cornerstone for your multi-media plans. They can extend your selling message beyond advertising.

Step Two: Dramatize The Strategy

Creative people tend to resist a strategic approach to advertising. To them, it restricts their creativity. They sometimes view advertising as an art form. To me, the role of a good creative person is to take the strategy and dramatize it in a way that better involves the prospects. In a way, you are dramatizing that reason to buy. It could be a product demonstration or a dramatic solution to a perceived problem. Whatever it is, it captures people's attention while you deliver your sales message.

Consider **BMW** as a model client. More than 20 years and many agencies ago, they launched an attack on **Mercedes-Benz** with the dramatic concept of "The ultimate sitting machine vs. the ultimate driving machine." Today, they are still driving with the same concept and are one of the world's most successful car companies. Great strategies never die. Nor do they fade away.

Step Three: Do Away With Awards

Do away with all those creativity-awards shows, such as Cannes and Clios. Nothing does more long-term damage to the industry than making creative folks think that they are making movies and not commercials. Consider the "Curse of the Clio;" it's widely known that a large number of Clio winners lost their accounts not too long after taking home their statuettes. All of this undermines the industry's perceptions of being strategic in its work. It would be like lawyers having awards for creativity in trials. Agencies are supposed to be professionals helping clients solve problems and sell products. Their award should be getting to keep the account.

Besides, clients are on to the fact that awards are there to help agencies get more accounts, not to help clients get more business. That is not a helpful perception for an industry under attack.

With over 40 years experience in advertising and marketing, Jack Trout is the acclaimed author of many marketing classics, including Positioning: The Battle for Your Mind, Marketing Warfare, The 22 Immutable Laws of Marketing, Differentiate or Die, Big Brands. Big Trouble, A Genie's Wisdom and his latest, Trout on Strategy. He is president of marketing consultancy [Trout & Partners](#) and has consulted for such companies as AT&T, IBM, Southwest Airlines, Merck, Procter & Gamble and others. Recognized as one of the world's foremost marketing strategists, Trout is the originator of "Positioning" and other important concepts in marketing strategy.