

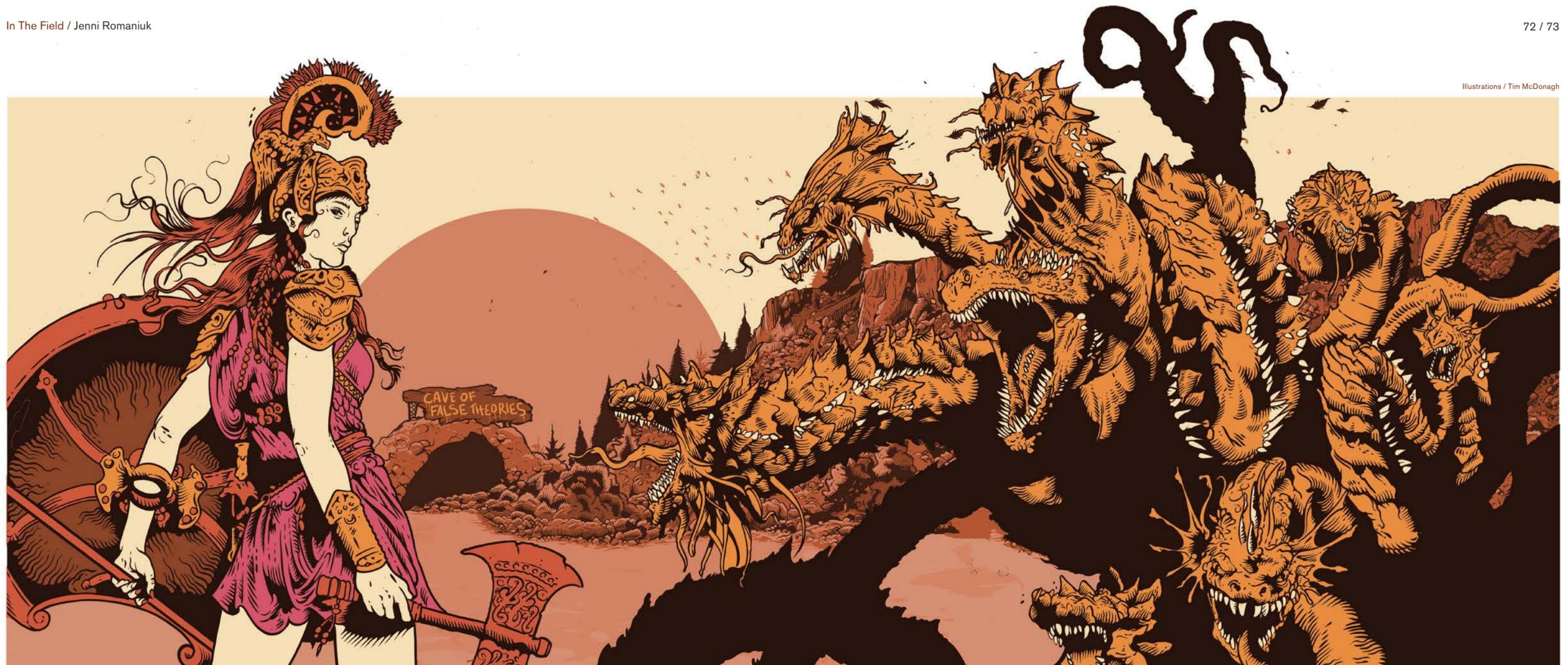
CONTAGIOUS

IN THE FIELD / JENNI ROMANIUK

This article appeared in *Contagious Magazine* issue 46

Contagious equips companies across the globe to achieve the top 1% of marketing creativity through our research platform, consultancy, quarterly publication and live events.

To learn more, find us at contagious.com
or email contact@contagious.com



Illustrations / Tim McDonagh

Slaying marketing myths

Jenni Romaniuk doesn't pull any punches. In *How Brands Grow: Part 2*, the associate director at the Ehrenberg-Bass Institute for Marketing Science calls traditional marketing theory lazy, dangerous and sloppy. Raakhi Chotai speaks to her about how to steer your brand clear of marketing mythology

Byron Sharp's seminal 2010 book *How Brands Grow* is one of the most influential marketing texts of recent years. In it, Sharp put fact before faith, using empirical data to contest the industry's long-held belief in seemingly deeply flawed principles.

While the first instalment provided a critique of targeting (less is better) and differentiation (it doesn't really exist), the second, *How Brands Grow: Part 2*, lays out practical commandments designed to help its readers achieve the holy grail of growth. Sharp's co-author, Jenni Romaniuk, research professor at the University of South Australia and associate director at the Ehrenberg-Bass Institute for Marketing Science, talks to *Contagious* about her quest to provide actionable insights for converts, and even more empirical proof to persuade the non-believers.

▮ **For our readers who are unfamiliar with the first book, it would be great to hear in your own words what you hoped to achieve in *How Brands Grow*.**

Throughout both books, we set out to document a rigorous understanding of how buyers buy and how brands compete. If we don't have that thorough understanding, any brand or advertising strategy we develop is unlikely to have traction because we don't know the behaviour we're trying to change.

[The books outline] law-like principles that can shortcut our understanding of how the world buys products. One example, the law of double jeopardy, is a way of understanding loyalty. It basically states that smaller-share brands have fewer sales because they have fewer customers (the first jeopardy) who are slightly less loyal (the second jeopardy).

If you read a lot of textbooks or talk to consultants, they give you the impression

that the level of loyalty you have depends on how good a marketer you are. [They say] if you're a good marketer then everyone will love your brand and they won't buy anything else. You can take it to the bank and go home. That's not how the real world works.

In fact, a basic pattern of dynamic growth is that brands tend to grow by acquiring more customers (penetration) rather than getting more out of existing customers. Knowing that makes objectives and strategies a whole lot easier to select.

▮ **Based on your research, it seems like brands are doing a lot of things wrong. If they were to change one thing about their marketing right now, what should it be?**

The one change that our corporate sponsors tell us has the most immediate effect on their marketing activities is revising their media plan to go for reach and penetration.

Obviously, that only works if you have wide distribution. If you're a poorly distributed brand, going for reach won't help because you reach people who can't easily buy. The brand needs to be physically available.

▮ You spend a chapter in the book detailing the importance of physical and mental availability. Why are they crucial for growth?

Mental availability is about getting a brand in the race to be chosen in buying situations, by building brand memory structures in the consumer's mind. In the vast majority of buying situations, consumers want to finish as quickly as possible, and mental availability is about making your brand known and easily thought of in those situations.

Physical availability is making sure that the environment you're in is as conducive as possible for people to act on the mental availability they've built. That means being where buying is happening. That could include being on the shelf in shops where customers might want to buy, it could relate to your assortment portfolio – ensuring you have some product that suits the buying situation the consumer is in. Or it could be making sure that your product is prominent enough to stand out

matter how great the message is, it's just not going to hit people where it should and have that long-term effect on people's memory structures.

▮ In the book, you criticise 'armchair marketing theories' and myths. Is there any theory that particularly irritates you?

We get frustrated with some ideas and the people who persist in them. In a lot of cases, they haven't looked at the evidence, or they've chosen to see it in a way that allows for misrepresentation. The thing that puzzles me most is the persistence of 'differentiation'. Looking at the evidence, it just doesn't exist. I don't buy a soft drink unless I think it's going to quench my thirst or wake me up or do the things that I expect or want it to. But do I need to know that Coke is really different from Pepsi in order to buy it?

Marketers need to challenge beliefs about what makes brands successful more often, bringing evidence to the table. If it holds, I'm very happy to change my mind. As a scientist, I can't accept that armchair marketing theories are the best way to build brands. Particularly because I've seen evidence to the contrary.

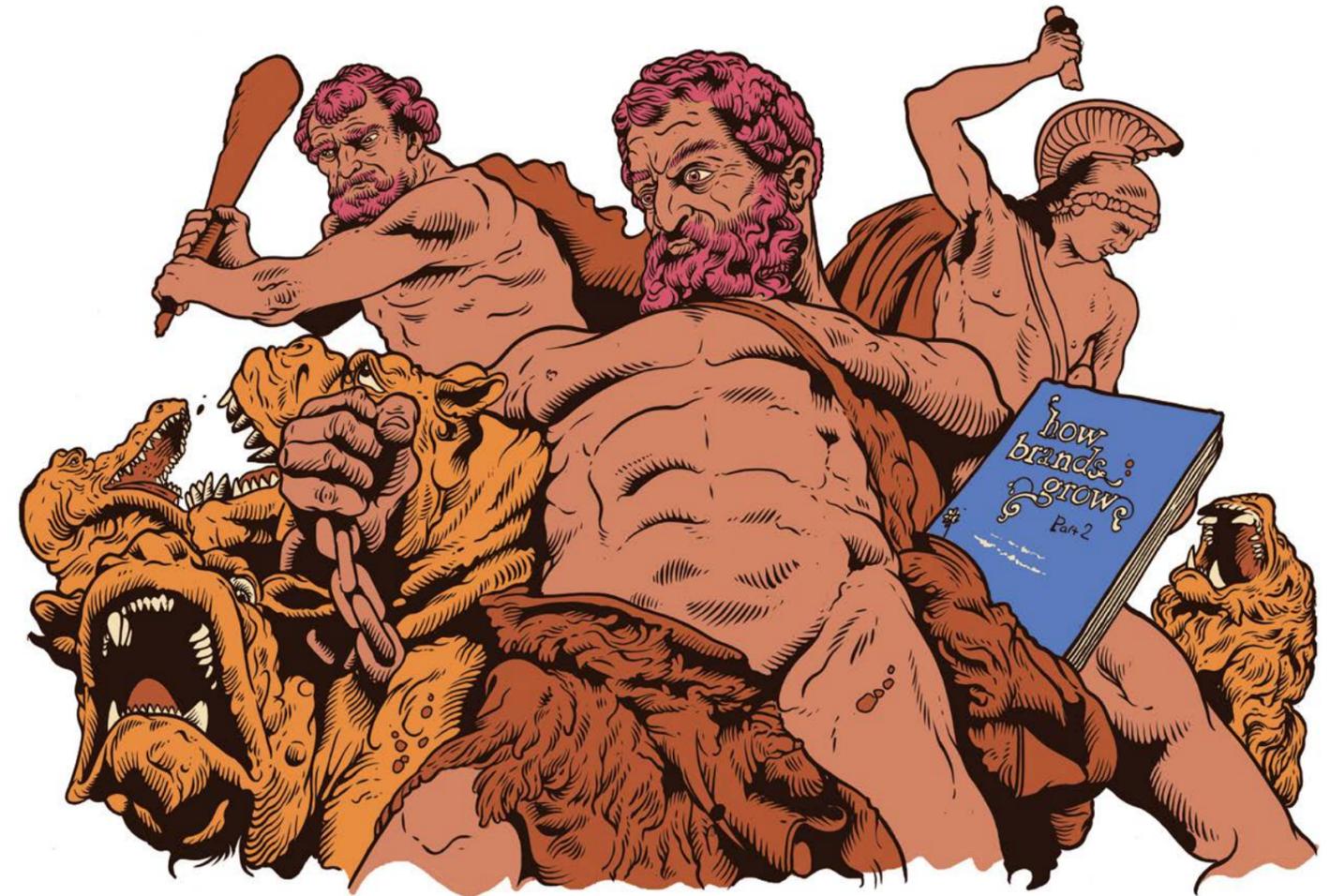
example. There is no really robust consumer-centric media that can tell us if the same person who saw a poster also saw a TV ad or heard your brand advert on the radio.

▮ In *How Brands Grow: Part 2*, you write: 'Contrary to popular belief, target marketing is not clever.' Should people abandon targeting altogether?

We liken it to salt in cooking, a little bit is good, it adds flavour. But too much and you ruin the dish. Marketers do a lot of unnecessary targeting. I challenge people who question that to work out their target market and compare it directly with who is buying the brand. What you find is that the narrower your target market, the less likely it is to be representative of who actually buys. You might have a slight skew but usually you've worked very hard for that. In reality, anyone buying the category is your target market.

▮ A common critique of your findings is that they don't apply to 'niche' brands or small brands. Is that true?

If you're happy staying a niche brand, then you don't have to follow the advice in the books. You can set up your Facebook page, have your 500 fans on there – that's perfectly



Briefs are very prescriptive about the message but very relaxed about the brand. Based on what we've found, it seems like that's the wrong way round

in a cluttered environment, where there are hundreds of competing brands assaulting the senses.

▮ What advice would you give to marketers to help them build mental availability?

As a brand equity researcher, I know how important it is for the brand name to be one of the key takeouts that someone remembers after seeing a piece of advertising. I find it really interesting that often, briefs are very prescriptive about the message but very relaxed about the brand. Based on what we've found, it seems like that's the wrong way round.

When it comes to the brand, it is a marketer's job to make sure that there is no question about what an ad is for. If the audience has to ask, you have a problem. If we don't get that part right it doesn't

▮ Why do you think these myths permeate the industry?

Marketing is a science, but it's still in its infancy. We've been going for only about 70 or 80 years. Compare it to medicine or physics – if we went back to ancient Greece or medieval England and visited a doctor, they'd do a lot of things that are pretty dubious by today's standards.

We don't claim to have all the answers but we do know there are some robust patterns in terms of the data on buying behaviour. A huge chunk of this book is about how to develop those patterns into a sensible marketing plan. To do that, sometimes you have to say goodbye to outdated knowledge. We shouldn't be afraid of that. If you think you know the answer to everything in marketing right now, I think you're being a bit naive. We don't have access to enough data for any kind of certainty. Consider media, for

fine. But if you want to be a big brand then you can't just play on the sidelines, you have to go for the main game. If you don't compete on the big field with everybody else, you're never going to recruit the buyers you need to grow.

▮ *How Brands Grow: Part 2* focuses on driving sales. Do you assign value to non-sales-related objectives and results?

I understand the value of intermediate objectives because sometimes the link between an advertising exposure and sales is hard to determine. I understand that people might say: 'Sales is my ultimate objective and I think this is the path to do it.' But if someone says: 'I want to improve people's attitude towards my product,' my question would be, 'Why?' Positive attitudes don't pay the bills. If you're spending money

on advertising and have to answer to shareholders about that cost, explaining that it made some people like the brand more is not going to help your case if the dividend cheque is lower that year.

Often people use things like awareness and attitudes as proxies because they know that measuring the behaviour is hard. That's fine, but if you're taking that approach, ask yourself, 'Is there evidence that this proxy leads to behaviour change?' For example, we know that attitudes typically follow behaviours rather than drive them. People will realise they like an item after they have bought it, but it's not the liking that drove them to buy it in the first place.

I don't like metrics where I don't understand what is actually being measured, or where I can't determine what the outcome of the marketing was. We have found that the more your advertising asks of people, the more your audience shrinks, because fewer people are willing to do it. Plus, the audience that does engage skews towards those with a heavy brand bias. If we go after

The thing that puzzles me most is the persistence of 'differentiation'. Looking at the evidence, it just doesn't exist

engagement metrics, we tend not to reach the audience we need to grow.

I always encourage marketers to understand the audience they are trying to reach, not the target demographic or segment. Understand their past experience with the brand and check you're reaching out to light non-buyers. If you get pulled into high engagement activities, the light buyers are usually where the sacrifice is and that's not a good sacrifice to make. It's basically cutting off the people who you need most.

▮ What is the biggest challenge facing brands right now?

Their biggest challenge is management. There are so many more choices of media now, and it's so easy to make poor choices. Previously if you had an idea of who your target market was (when, in fact, everyone who bought the category bought your brand), you'd go to your media agency and you'd buy reach, based on your target market. But the old media choices were ineffective, so the reality is they ended up advertising to everybody in the category anyway, which was good. What we called wastage was actually really good marketing.

Now it's a lot easier to waste money on ineffective marketing activities because of this proliferation of choice. Not pursuing a reach strategy is actually counterproductive. If your competitor is spending badly, mirroring their bad spending is not a good strategy. A third player will come in and cut both of you off at the legs. ▮