Misplaced marketing

Is there a strategy behind buying advertising time and space?

Herbert Jack Rotfeld
Auburn University, Auburn, Alabama, USA

Abstract
Purpose – The purpose of this paper is to note the advertising business overspending on advertising messages that is often done with minimal consideration to the impact or effects of many consumer exposures.

Design/methodology/approach – The paper notes textbooks statement of advertising budget spending as the money needed to attain pragmatic communications goals and compares this to the ongoing business reality of media planning that mostly devolves into maximization of audience exposures to mass media vehicles carrying the brand or company name.

Findings – The pragmatic business need is for more questioning the value of media spending, not as return on investment, but how it contributes to overall communications concerns. The media planners dilemma is the uncertainty of the effects of every additional audience exposure, thus (and too often) they take the easy route and simply resolve to purchase as many target audience impressions as possible for as low a price as can be negotiated.

Originality/value – This paper asks an important question that many people in the advertising business try to avoid: “Why is so much money being spent?”. While it is difficult to track the impact of every single vehicle placement, the media planners should at least try to question what is the real strategy behind efforts to maximize target audience exposures to vehicles carrying the company logo.

Keywords Product positioning, Competitive strategy, Advertising effectiveness

Paper type Viewpoint

Driving from Chicago to Florida with family or friends a few decades ago, highways south of Illinois and Indiana seemed inundated with signs telling drivers to “Visit Rock City,” “See Ruby Falls” and “Visit the Blanket Store.” Then or now, few who made these trips knew or remembered where any of these tourist attractions were located, but it seemed like every barn wall, billboard and cow that stood in the same place too long carried one of these ubiquitous signs. By the time we left the area, everyone supported more regulatory restrictions on billboards. In more modern times, politicians send voters numerous programmed telemarketing calls with prerecorded vote messages as the campaigns spend ever-increasing amounts of money on mass media advertising with what appears to be decreasing impact on the electorate. For product advertising, ambush media and guerilla marketing have been added to the internet and traditional advertising venues as major companies strain to cover every open inch of modern life with their messages.

These might be extreme examples, but many advertisers commonly engage in budget profligacy. Producers of the newest blockbuster movies announce advertising spending levels that approach half of the production costs; mass media vehicles are covered with their own increasing quantity of commercial clutter of questionable and decreasing impact (Rotfeld, 2006a), sometimes to the point of generating audience revolt (Rotfeld, 2006b). Dodge paid several million dollars and committed over $10 million more to brand the fictional Fantasticar, the four-passenger vehicle used by the super-heroes in the 2007 movie Fantastic Four: Rise of the Silver Surfer, though it is unclear how having a company logo or the brand name on a flying car will sell real cars to consumers concerned with value, quality and style. The plethora of product placements and heavily repeated messages remind former cross-country drivers of the “Visit Rock City” billboards.

In what might be one of the most often-repeated and basic statements of marketing textbooks, advertising media strategy should determine the “optimal” mix of media types and vehicles needed to effectively convey the creative message with a budget that should be a built-up determination of the money needed to do the job. Surveys of the largest advertisers often report a common claim that they follow a management-oriented approach to budget determinations based on the tasks needed to attain objectives. However, a skeptical comparison of these published surveys with their spending reality indicates that the survey data could be the result of corporate socially-desirable response bias while they really allocate all they think they can afford to the advertising budget. Actual business practices seem guided by media strategies that are little more than “buy as many target consumer exposures as possible at the best possible price.” And many managers of even the largest advertisers readily admit that this is exactly what they do.
Some of this media over-buying could be a function of companies trying to keep up with what they see as their competitors’ spending practices. Bad spending decisions without strategy could be generated by managers who either see other businesses having apparent success, or merely want to imitate new ideas that seem to look cool (Donaton, 2007). There might be a way for advertisers to come up with creative product placements to avoid audience’s clutter burn-out (Donaton, 2004), but even then advertisers’ perpetual drive to maximize exposures could weaken the impact when potentially influential news or entertainment product placements are closely followed by traditional advertising messages that weaken the persuasive power of both.

For example, Johnson & Johnson’s Acuview contact lenses were interestingly tied into the storyline for an episode of Smallville last season. Unfortunately, a few minutes after the in-script mention of the brand, a 30-second spot for the product at the commercial break did not add selling information while weakening credibility that might have been delivered from combining product benefit information with the popular entertainment program. The intuitively obvious conclusion is that the added spot was driven more by a desire to maximize exposures than by managerial planning on how it could enhance communications impact. Articles in women’s magazines might be paid by sponsoring health and beauty product advertisers, but no reader could be so blind that they would fail to see the funded connection when articles are closely followed by advertising for the brands described in the article. The resulting clutter reduces the impact of both messages.

Some contemporary studies of advertising effectiveness reported in the business press found that as much as two-thirds of advertiser spending might be wasted. However, since only a small amount of message aim to generate an immediate sales response as in direct mail or a short-term retail sale, any effort to assess a general advertising return-on-investment is of limited utility. Many professionals like to repeat the statement attributed to the nineteenth century retail magnate John Wanamaker, “I know half the money I spend on advertising is wasted, but I can never find out which half” (as quoted in Mayer, 1991, p. 138). Advertising textbooks might provide the same quote followed by the theoretical assertion that a careful budget based on an assessment of the tasks needed for effective communications minimizes such potential waste.

Unfortunately, the media planner or buyer’s dilemma is that there is little guidance of how many actual exposures are needed to do a communications job. They do not know what amount of advertising messages are needed to attain their communications goals. Media data provide buyers with estimates of the number of people exposed to the vehicles carrying the message. From that information the buyers stack additional estimates of how many of those people reached by the vehicles might be exposed to the advertising, and how often, plus how many of those actual advertising exposures that might be delivered are needed for persuasion. In this uncertain environment with estimates stacked on guesses, media planners logically will ask for as large a budget as possible that then would be used to purchase as many exposures as possible. Their only worry is that they negotiated the best prices.

However, the uncertainty of what is needed has become the excuse to spend beyond any logical utility. A half-century ago, noted adman Howard Gossage asserted that a good job of advertising does not need added repetitions (Harris and Gossage, 1962), and a good advertising job should mean the budget goes down every year as less money would be needed to maintain customer impact (also see Gossage, 1995). Some advertisers are starting to take steps to minimize the cluttered environment in which their own messages appear (e.g. Steinberg and Vranica, 2007) in a manner suggested by an earlier article in JCM (Rotfeld, 2006a). Yet rare is the advertiser taking the difficult step to recognize his/her own message excesses well beyond what could contribute to a useful consumer impact.

Even in an uncertain environment with difficult data, with media strategies driven to request ever-larger budgets to maximize exposures, media planners can still question the utility of many purchases. Brand exposures do not have any intrinsic value and advertisers’ need more than having their name “out there” (as some public relations professionals like to say it). A lot of the media spending money is wasted, and a manager that takes a close look at the communications job should readily see the questionable purchases. The pragmatic marketing question is just what that purchase might add to the effort to inform and persuade a specific target audience. Too often, the question is not asked.

References


