

WPP Group plc

# Polishing the Apples



The value of marketing communications  
*by Jeremy Bullmore*

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# Why Successful Businesses Need Sherpas, Machine Oil and Global Positioning Systems



It's always a good question to put to a new client: we all know what you make – but are you as certain what your customers are buying?

Simple as it sounds, it's a constructively difficult question to answer.

You make expensive pens; but that's not what people are buying. What people are buying will be prestige, or personal pleasure, or the hope of gratitude from a recipient.

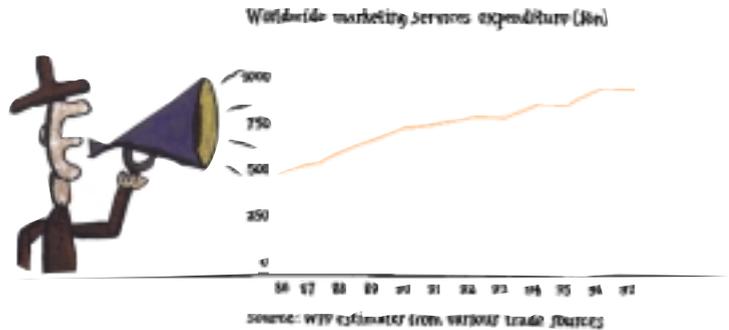
You make multi-coloured chocolate buttons; but that's not what people are buying. What people are buying is a moment's welcome peace from demanding children.

You make laptop PCs; but that's not what people are buying. What people are buying will be self-sufficiency, self-esteem, efficiency and mobility.



As Theodore Levitt pointed out many years ago: people don't want a quarter-inch drill; they want a quarter-inch hole. And for every product or service, there's an equivalent distinction to be made – though seldom so easily or so elegantly.

So it was time, it seemed to us, to ask exactly the same question of ourselves. We know what we make, all right: what we produce. But what is it exactly that our clients are buying?



Here are some of the more familiar ‘products’ of the marketing services industry: advertisements, tracking studies, market analysis, strategic counsel, retail interiors, corporate videos, annual reports, corporate identities and liveries, sales promotions, media, database marketing, pack designs, employee communications, public relations and public affairs advice.

Worldwide expenditure on all marketing services in 1997 was estimated at almost \$1 trillion. As the illustration shows, there continues to be a more-or-less steady growth in such expenditure and the figure represents the aggregate of millions of different decisions voluntarily made by millions of individuals in millions of different competitive enterprises. So it can presumably be assumed that marketing companies, with attitudes ranging from cheerful confidence to resigned reluctance, believe their marketing expenditures to be necessary.

But, as with Ted Levitt’s drill, nobody wants to buy advertisements or research reports for their own sakes, to be kept proudly behind glass in the corporate lobby. As with Ted Levitt’s drill, all these products are bought in the hope that they will do something: to provide the equivalent of Ted Levitt’s hole. Precisely what that something is, and how it differs from service to service, is a great deal harder to identify and articulate. To say that they are bought by companies to make themselves more successful is both true and unhelpful. It tells us what these services are expected to achieve but not how.

It would take a full-length book to do justice to the subject. Each service, each discipline, has a different function, often complementary; most have many more than one; and the functions may change for each client company or each brand over time



What this brief essay sets out to do is to probe just a little beneath the surface, and try to identify some of the underlying needs that marketing services meet: for most client companies, most of the time.

So we will practise what we preach, and start with the consumer. And in our case, of course, our immediate consumers are our clients.

WPP's 50 companies serve some 15,000 clients: and they are all different. They have perhaps just one thing in common:

*They all need to put a competitive case; and they all want to do it cost-effectively.*

The need 'to put a case' means the need to communicate, by whatever means, with a wider group. And this holds true for repeat purchase consumer goods, for capital goods, for charities, for financial services, for personnel recruitment, for business to business, for media.



Within their own sectors, they are all in open competition and they are all seeking to enhance their competitive positions.

It is kindergarten stuff to say that, if a company sets out to improve its profitability, it has only two distinct areas of action open to it: not as alternatives, but as different approaches. It can minimise costs and it can maximise value.

But one way to clarify the contribution of marketing services is to ask: which are the disciplines that help client companies minimise costs; which are the ones that help client companies maximise value; and which, if any, can do both?

The first function of market knowledge, for example, is to minimise subsequent marketing waste. Before you can begin to put a competitive case, you need to know your market, what your prospective consumers think of you, what they think of your competitors, what their misconceptions are, what they know and what they think they know. Without such knowledge, you'll be transmitting blind. You'll be reaching the wrong people with the wrong appeals: and that's a waste of time and a waste of money. Worse, you'll almost certainly be making the wrong product.



In the same way, money spent on the monitoring of your communications as you go along does not of itself add value to those communications: but it's the only way to identify error and so make subsequent expenditure more efficient.

The product that's sold is called *Research*.

The product that's bought is more like a global positioning system, feeding back to its owner immensely valuable knowledge of competitive position, progress and direction.

The value of employee communications is finally beginning to get the recognition it deserves. When a company decides to achieve new efficiencies through restructuring itself, it may feel like strong leadership – it may even feel efficient – to impose radical change overnight by means of a couple of all-staff memoranda sent down from the bridge. But employees who haven't been consulted, haven't been informed and feel that they haven't even been thought about can be immensely expensive obstacles to change: not because they're ill-intentioned but because they're ill-informed. Ill-informed people quite naturally become apprehensive and resistant. And the consequential costs, though difficult to quantify, will always be high: in the greatly extended implementation process; in the loss of good people; in the general decline in morale. A sustained program of listening, consultation, conversation and information can minimise confusion and hesitation, build trust through understanding, and contribute usefully to a sense of corporate unity.

The product that is sold is called *Employee Communications* or *Internal Marketing*.

The product that is bought is more like machine oil: at small extra expense, lubricating the process of comprehension and willing compliance swiftly and smoothly throughout the organisation.

There are other marketing services that fulfil much the same function. Before you start doing business in a country unfamiliar to you, you will need to know how best to put your case. And that means getting to know the laws and customs of that country; the language of that country; the opinion formers of that country; and the media of that country.

The product that is sold is called *Public Affairs*.

The product that is bought is more like a mountain guide: an experienced Sherpa who's scaled that peak before and knows where all the crevasses are.

The central virtue of direct marketing – relationship marketing – is its ability to separate the more valuable consumers from the less valuable consumers and concentrate effort and ingenuity on those with the greatest potential. It is an immensely accurate and efficient approach.

The product that is sold is called *Direct Marketing*.

The product that is bought is more like a prospector's sieve, screening out the mud and waste and exposing the few bright glints of gold for all to see.

All those, and there are many more, are examples of marketing services whose primary but not exclusive value lies within the broad category of contributing to efficiency through saving costs: in many cases, as a result of saving time.



But it's at least as much for the second category – for their ability to add value to brands and services – that client companies look to marketing services.

Wherever consumers have both money and choice, an intrinsically good product offering gives a marketing company no more than permission to compete. Winning will depend on its ability to add greater value than competitors can: and part of that value will come from presentation. To put a competitive case is to present your case – your company, your product, your idea, your policies, your proposition – as attractively as possible.

It's why people buy cosmetics, why window-dressers should be well paid and why costermongers polish their apples.

No competitive enterprise, in whatever field of endeavour, can leave its apples unpolished and still expect to win. There may still be a few who belong to the 'good wine needs no bush' school of marketing but they won't be found amongst the winners and quite soon they won't be found at all.

There are those who accept the need for pack design but believe that its only function is to make the product 'stand out on shelf'. It should certainly do that; but it should also do a great deal more.

There was much talk a few years back about the coming domination of something called ‘generic brands’. As a phrase, it was a contradiction in terms. As a concept, it had limited consumer appeal. But it’s instructive to remember just how institutional ‘generic’ packaging was: like State-approved commodities in State-owned stores in corporatist regimes.

A brand, to be successful, needs to be singular; needs to have a personality; needs to engage the heart as well as the mind. A good pack can synthesise and express all this in a way that no other medium can – and will continue to give added pleasure to its consumers throughout the product’s life.

What design companies sell is called *Pack Design*.

But what clients buy is more like a brand’s identity card: its DNA, in telling, graphic form.

For a company, its pack-shot will be its letter-heading, its symbol: a unique combination of words and design that comes to represent the whole.

What design companies sell is called *Corporate Identity*.



But what clients buy is more like a national flag or football strip: an instantly recognisable rallying-point, that can absorb and re-transmit the values and achievements of the whole.

And then there is advertising, which has almost as many roles and functions as it has users. But probably its most common use – and the one most likely to puzzle both financial directors and social commentators – is that of supporting and promoting established brands and services. People can accept the need for advertising when launching a brand or having made an improvement to a brand – but find it harder to see the value in spending money to tell people about the existence of something they very possibly already use. And it is here that we need to recognise the value of celebrity.

Celebrity is recognised by theatrical agents and promoters and publicists as having a necessary value for people. It has an equivalent value for brands.

Indeed, George W S Trow has written: ‘The most successful celebrities are products.’

Being around, being well known, being salient, being contemporary – in any market – are vital preconditions for sustained competitive success. But these qualities, like suntan, fade over time. They need, constantly, to be refreshed. And that is precisely what much of the best advertising for established brands is doing – year in, year out.

What agencies sell is called *Advertising*.

But what client companies buy is more like a pool of spotlight on a stage; a trickle recharge for a brand’s batteries; or a lasting place in the Hall of Fame.

The demand for communications services continues to grow: and so does the range of such services. Though existing media may be forced to reposition themselves with the arrival of new ones, no marketing medium has yet been totally superseded. So the choice



available to the enterprise with a competitive case to put grows ever wider – and potentially ever more bewildering.

In evaluating the new ones, and in ensuring that the chosen disciplines work together with consonance and coherence, one final metaphor may help.

There are two forces at work when you try to make progress: Thrust and Drag.

Some of our products help their client-consumers reduce Drag, and some help their client-consumers increase Thrust – and some do both.

If they are selected, bought and evaluated not for what they are but for what they do, the management of marketing can seem a great deal less complicated.





# WPP Group plc

## Advertising

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Ogilvy & Mather Worldwide  
J. Walter Thompson Company  
Asatsu<sup>1</sup>  
Conquest  
Cole & Weber  
Batey<sup>1</sup>  
Equus<sup>1</sup>

## Media planning, buying & research

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MindShare  
The Media Partnership<sup>1</sup>  
Portland Outdoor<sup>1</sup>  
CIA<sup>2</sup>

## Information & consultancy

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**The Kantar Group:**  
Research International  
Millward Brown  
Kantar Media Research  
– IBOPE Media Information<sup>1</sup>  
– Symmetrical Resources<sup>1</sup>  
– Simmons<sup>1</sup>  
BMRB International  
IMRB International<sup>1</sup>  
Winona Group  
Goldfarb Consultants

## Public relations & public affairs

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Hill and Knowlton  
Ogilvy Public Relations Worldwide  
Timmons and Company  
The Wexler Group  
Carl Byoir & Associates  
Buchanan Communications  
Chime Communications PLC<sup>1</sup>

## Specialist communications

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**Branding, identity & corporate consultancy**  
Addison  
Banner McBride  
BDG McColl  
Brouillard  
Coley Porter Bell  
Enterprise IG  
SBG Enterprise  
JWT Specialized Communications  
Scott Stern

## Direct, promotion & relationship marketing

A. Eicoff & Co  
Einson Freeman  
EWA  
Mando Marketing  
Oakley Young  
OgilvyOne Worldwide  
Primary Contact  
Promotional Campaigns Group  
RTCdirect  
The Grass Roots Group<sup>1</sup>

## Strategic marketing consulting

The Futures Group<sup>1</sup>  
The Henley Centre  
Management Ventures (MVI)  
MSI Consulting/Charles River  
Strategies  
Quadra Advisory<sup>1</sup>

## Sector marketing

### *Demographic marketing*

The Geppetto Group  
The Intuition Group  
Mendoza Dillon & Asociados

### *Healthcare*

CommonHealth

### *Real estate*

Pace

### *Retail*

Walker Group/CNI

### *Technology*

Smith and Jones

### *Media and technology services*

Clever Media  
The Metro Group  
Savatar  
The Farm<sup>1</sup>

### *New media investments*

BroadVision<sup>2</sup>  
Wired Ventures<sup>2</sup>  
HyperParallel<sup>2</sup>  
NewsEdge Corporation<sup>2</sup>  
Media Technology Ventures<sup>2</sup>  
Peapod<sup>2</sup>  
Syzygy<sup>2</sup>

<sup>1</sup>Associate investment

<sup>2</sup>Minority investment

## WPP Group plc

Advertising, Media Planning, Buying & Research, Information & Consultancy,  
Public Relations & Public Affairs, Specialist Communications.

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