
Bob Hacker

Fight Brand Tyranny!

Bob Hacker started The Hacker Group, Ltd. in 1986. Since then, they have become the largest full-service direct marketing project house in the Pacific Northwest. They currently serve over 100 clients, both in the US and abroad. Their client base is concentrated in financial services, travel, real estate, high-technology, telecommunications, sports marketing, broadcasting and fundraising. Bob is on the editorial board of *Target Marketing* magazine and a frequent writer and speaker on direct marketing issues. Bob is a graduate of The Harvard Business School and the University of Washington.



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ABSTRACT

Charter Senior Fellow Bob Hacker urges us to “fight brand tyranny.” He proposes that the singular emphasis on brand, at least for direct marketers, is at best simplistic, at worst heresy.

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A new or sometimes recycled answer to all our marketing prayers surfaces from time to time. At one time, the salvation catechism espoused "positioning." This liturgy promised that if you position correctly, all other marketing problems just melt away. Hallelujah!

The current marketing mantra is "brand." Virtually every marketing publication and conference features books, articles, discussions, seminars, workshops, roundtables and speeches about the overriding importance of brand. The new marketing field of dreams brand it right and they will come.

I would propose that this singular emphasis on brand, at least for direct marketers, is at best simplistic, at worst heresy.

First, let's examine how the current focus on brand evolved.

THE GREAT ESCAPE

Until the 1960s, advertising agencies were held accountable for sales. In the mid 60s, however, agencies were able to convince their clients that they should not be held accountable for sales, but should be held accountable for awareness, and perhaps brand preference, instead. So, with a collective sigh of relief, measurement shifted from sales revenue increases or decreases to more subjective brand and awareness research measurement. And the cults of positioning and branding spread across the land.

Since brand preference was the only thing being measured, brand became the new focus. General agencies then took it one more step the general agency now became the authority on all brand issues and advertising became the vehicle for changing brand image.

For most package goods low-priced products bought on impulse the agency's control of brand makes sense. Other than product usage itself, advertising probably is the primary brand image contributor. For products that never change, advertising makes an even more important contribution.

THE DIRECT MARKETING DIFFERENCE

But most products sold through direct marketing (catalog excluded) are sold in very different ways.

In the first place, most direct-marketing-sold products are "considered sales"; at least more considered than soap, pop, candy and canned goods. And many products, especially in the B-to-B world change often. Higher price and rapid product change force a more considered buying decision. The sales process becomes more complicated and selling systems must be created to support the sale. Every touch in the system affects brand initial communication, word of mouth, telemarketing, fulfillment, customer care, product usage, service, the list goes on all have tremendous impact on a customer's brand perception. A poor experience at any step can negate all the investment that went before it. Now, brand becomes the sum total of the selling experience experiential rather than communications branding and the client and/or their vendors make the biggest impact on customer perception, not the general agency. The only selling step the agency controls is the first one, so advertising influences, but no longer controls the brand.

The conclusion is clear. In direct marketing you must pay very close attention to quality delivery at every step in the selling system. No matter how good the advertising or direct

marketing, all is lost if the experience after the communication does not surprise and delight the customer.

BRAND vs. RESPONSE

In direct marketing front-end performance is also affected by brand but not in the way you might expect. We continually see clients try to emulate their brand messaging in letters and response drivers. The argument is, "we must be consistent on all brand messaging."

We work for some of the most famous brands in the world and have tested "brand messaging" against aggressive "offer messaging" for years. Here's just one example for one of our clients, one with a very strong international brand. The target was \$125 per sale. We tested four approaches.

Offer/Copy Platform

Cost-Per-Sale

Great offer, low brand message content
\$48.67

Great offer, high brand message content
\$111.45

Weaker offer, low brand message content
\$271.43

Weaker offer, high brand message content
\$606.98

Clearly, best offers win. But we also found that performance improved dramatically when we took away brand messaging. While the above example is for only one client, we see similar performance ratios almost every time we test similar structures.

With all the current "brand buzz" out there, we tried to identify why brand messaging actually hurts sales performance. We came to the following conclusions.

Brand messaging is evocative. In contrast, direct marketing copy is argumentative we are always leading the customer to the point at which a sale can be consummated. Asking for money is just not very evocative, it can really break the mood.

Brand messaging is about products and companies. Good direct marketing copy talks about the recipient tossing a salad of greed, guilt, fear, anger and exclusivity with a soupcon of salvation to make an emotional connection with the reader.

We concluded that evocative brand messaging gets in the way of the argument for money. And rational discussions about "things" break the spell when we try to make the emotional connection.

You can use brand to reinforce the credibility of a great offer. But if you try to use brand to get the uninterested or unmotivated to part with their money, you will be sorely disappointed. Driving with offers that's how companies you've never heard of, companies with no brand presence whatsoever, can still go up against the big boys and come out winners.

Fight brand tyranny. When forced to put brand messages in your packages, stick them in the brochure where it doesn't matter. But leave your letters and response devices pure, unadulterated direct. The market is telling us that is the right way to do it.

Bob Hacker is president of The Hacker Group, Ltd., a Seattle-based direct marketing agency specializing in the high technology, telecommunications, financial services, and

real estate markets. For a free white paper from Bob Hacker, call 425-454-8556 or email him at rchacker@halcyon.com.