BIZCOMMUNITY

The brand, the buzz and the bottom line

By Francois van Dyk, issued by Ornico

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It is a well-known adage that in times of economic uncertainty spending is curbed, and as marketers will let you know it is usually the marketing, advertising and communications budget that gets tightened first.

John Wanamaker, a 19th century merchant and a pioneer in marketing and advertising, famously said about traditional advertising that "half the money I spend on advertising is wasted; the trouble is I don't know which half." This may have been true during his age but the whole marketing universe has certainly changed dramatically since he uttered these words. Public relations, social media interaction, corporate social responsibility, environmental awareness and consumers tired of corporate greed have all become intertwined in the broader marketing mix and indeed in the art of doing business.

Increase income through intelligent marketing

The fact is that companies who have used economic hardships to push and increase marketing spending, have gained significant inroads in market share to the detriment of their competition. Research done during the mid-1970s by the American Business Press and the 1980s by McGraw Hill Research, all showed businesses who increased marketing and advertising spending during recessions, significantly increased sales and net income. However, the trick lies in successful goal setting and implementation, measurement and analysis of your marketing activities; connecting the dots, to gain the upper hand. In other words, using your marketing budget wisely to target the right customers via the correct mediums with the correct products at the right price.

The sole purposes for the existence of marketing is one thing and one thing only - impacting the bottom line. This is true for any advertising, brand building and public relations exercises, promotions, competitions and the like a brand may embark on. But to measure successes or failures one needs to identify the current situation and the desired goal. You need a starting point and an endpoint otherwise you will not be able to measure accurately. As Lord Kelvin, who brought us to the temperature scale, said in the 1800's "to measure is to know" and "if you cannot measure it, you cannot improve it."

Combine figures with creatives

Obvious starting points are turnover, cost-of-sales, expenses, including marketing expenditure, advertising and promotions, public relations and communications, net profit etc. These all have financials attributed to it which is the lingua franca of the accountants and senior management of organisations.

Traditionally marketers, advertising and public relations practitioners have shied away from this financial, mathematical side of a business as their worlds are the realm of the creative, the artist, the story-teller or praise singer. Winning awards was the measure of success, an increase in sales for the client a bonus!

However, return-on-investment (ROI) makes sense to the brand's decision makers as it speaks numbers. The most basic formula to determine ROI, not being the be-all-end-all, is the following:

ROI = (financial gain or savings - cost)

cost

It is crucial that marketers learn and incorporate this accounting language as to explain the utmost importance of marketing and its various fields to the management of an organisation. According to Christopher Boyer, a renowned US digital marketing specialist, the success of marketing, advertising and public relations come down to certain key performance areas, including **behavioural**, getting consumers to act; **attitudinal**, changing people's perception; and **financial** -

increasing the bottom line.

Measure ROI

A classic example of measurement was how Old Spice could directly link social media buzz around its "The man your man could smell like" campaign with sales increasing up to 107%. The campaign which also ran across traditional media received 236 million YouTube views and resulted in 80,000 Twitter followers in 2 days. Spikes in online conversation could directly be linked to sales increases.

It is imperative that the correct metrics are measured. Many communicators confuse the number of "likes" on their brand's Facebook page as a measure of success. This is not true. The number of "likes" which are converted into paying customers are, for instance, a far better indicator of the success of a particular campaign.

All starts with the customer. Marketers need to know who the brand should be talking to, what channels to utilise for this communication to reach the target market, what the most cost-effective way is to reach this market and how ultimately to convince the customer to purchase the brand's products.

Manage customer relationships

Much has been said about Customer Relationship Management systems and this is a powerful tool - though small businesses may not always be able to afford expensive and fancy CRM systems even an Excel sheet can be used very effectively to collect data on customers. Once you know the customer you can better determine how to engage them with your marketing message.

Consumers are flooded by vast amounts of marketing clutter every day as brands vie for their attention and pockets and the marketer's biggest challenge today is to get their message cost-effectively through this clutter and get the consumer to act on the message - be it via advertising, social media, competitions or CSI projects.

Brands that intelligently researches their competitors and their own marketing activities in the marketing and media landscape do get the insights to take better informed decisions to gain the competitive advantage.

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