



THE NEW BRAND COMMUNICATION

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STATEMENT OF THE PROBLEM

For nearly a century, marketing and advertising focused on the belief that powerful messages will eventually yield sales results. It has been a sort of “wait and see” approach to marketing investments. This form of advertising and Brand Communication included expensive campaigns and often vague estimates for return on investment. Examples:

- Coca-Cola recently recalled thousands of their seasonal polar bear cans of their beverage because it became confused with their diet beverage.
- When the Nova was introduced to Latin America, sales floundered because “no va” translates into “no go” in Spanish.

If Madison Avenue advertising agencies can so adroitly drop the ball, what are the implications for the average business professional?

The audience for the campaigns views them as humorous and entertaining at best and, more frequently, a nuisance. Traditional advertising interrupts a football game or television program. It cuts into your listening on the radio or stops your enjoyment of a magazine article mid-sentence. Mass advertising messages are a hassle to the audience and, more importantly, incomplete marketing campaigns.

Advertising and Sales Methods are shifting in today’s rapidly evolving techno-sphere. In order to cut through the “noise”, organizations need to be more efficient than ever to leverage the modern tools of the New Brand Communication.

THE NEW BRAND COMMUNICATION

- **WAS: INTERRUPTION**
 - **NEW: Permission**
- **WAS: CONTROL**
 - **NEW: Participation; Social Proof (i.e. Testimonials)**
- **WAS: TRANSACTIONAL**
 - **NEW: Relationship; Mindshare; Networking**
- **WAS: READING**
 - **NEW: Video; Audio; Social Media**
- **WAS: WAITING**
 - **NEW: Shaking Every Hand; Second Place**

INTERRUPTION ADVERTISING vs. PERMISSION

Early in the 20th Century, Procter and Gamble and other soap manufacturers sponsored daytime serial broadcasts of drama targeted to housewives. Thus the “Soap Opera” was born. Listeners and television viewers were riveted by the stories and forced to listen to commercials between scenes. Seth Godin’s book, Permission Marketing, aptly calls this old form of advertising “Interruption Marketing.”

Modern technologies such as DVRs and remote controls have diminished the power of interruption advertising. Viewers can control the interruptions. Today, advertisers must be more creative in promoting their messages. Interruption advertising has now become the domain of online videos, where advertising clips are forced upon you before you’re permitted to see the clip. Movie theatres bombard you with advertisements before the advertisements – the former being ads for Coca-Cola and Nissan and the latter being movie previews.

Thus Godin introduces the concept of “Permission Marketing”. The idea behind permission marketing is that you first begin a trusted relationship that evolves into a transactional one. Consider the day Walmart decided to enter the optometry business. They didn’t promote the idea of eyeglasses to a single customer. They *already* had the customers and, by default, the trust to introduce this valuable service in their stores. Permission marketing means that you build trust, confidently believing that a transactional business relationship will follow.

CONTROL vs. PARTICIPATION

Mass media allowed advertisers to control the message to consumers. Wendy’s assured you that they had the meatiest hamburger when Clara Peller raced to the drive through window of a competitor and bellowed, “Where’s the Beef?!” Winston cigarettes “tasted good like a cigarette should.” “Only her hair dresser knew” if she was coloring with Clairol. Not anymore!

The modern message is no longer controlled by advertisers. Reviews of books, restaurants, home services and even health care professionals are the domain of the consumer. Try to find a local Chinese restaurant and you’ll probably fail to find its website. Instead, Yelp or Google Maps seizes control of the search and takes you to *their* sites, providing store hours, location and a menu. More importantly, each of these microsites provides reviews from past customers that can make or break the reputation of the restaurant.

The best example of “Participation Advertising” comes from Angie’s List where its founder, Angie Hicks, gives the first testimonial on her own website. She says, “My favorite thing about Angie’s List is the reviews come from real people.” Her website has become a premier source of leads and service credibility for thousands of businesses throughout the U.S. That is participation advertising at its most potent level.

Amazon.com continues to gain power as a distributor and, of late, a *publisher* of books and CDs. Amazon has been criticized for hoarding sales information, competing with companies for whom it sells, and even for the poor quality of its human resource practices. Yet Amazon’s influence grows steadily.

Amazon has earned a place as a trusted resource with an algorithm that recommends (accurately) books to past clients. That’s *permission marketing*. The convenience with which a book can be purchased creates *mindshare*. The fact that a potential buyer can easily find a review of a book is an example of *participation advertising*. The emergence of Amazon’s Kindle should create a fascinating business study of the New Brand Communication in the years ahead.

If there is one thing I can recommend to my clients, it is this. The things you say about your company are hardly as important as the things your customers say. Leverage past client experiences and make sure that you recognize the power of participation marketing in the form of referrals, website testimonials, and customer satisfaction surveys. Participation advertising SELLS!

TRANSACTIONAL vs. RELATIONAL; MINDSHARE

For hundreds of years, sales interaction was based on the event – i.e. the transaction. The idea started as early as the Silk Road where traders transported silk, precious metals, spices and other valuable goods throughout Asia and the Middle East. The transactional mindset prevailed well into the 20th century, exemplified by tin men who swindled homeowners and used car salesmen who never intended to sell a second car to an individual.

Bredeman Lexus is a car dealer in the northern Chicago suburb of Glenview. They have mastered the concept of “Relational Marketing” by discovering ways to keep the relationship alive beyond the initial transaction.

Client records are monitored by cross-referencing service records with lease schedules. They have been able to help clients lease new cars many months before an existing lease is up by buying them out of their existing leases, re-selling the cars they’ve purchased, and putting the satisfied client behind the wheel of a newer model car for a lower payment than before.

The transactional has given way to the relational. It is obvious today that the sales cost to create a repeat client is infinitely lower than the cost to produce a new customer. Thus companies like Costco, Walmart, and Target have emerged as retail powerhouses over retail dinosaurs such as Sears and K-Mart. The difference is the focus on building a relationship rather than focusing on product promotions that lead to a single transaction for a washer-dryer or a hand tool.

A culture where the product is secondary to the experience is evident with the retailers listed above, but is more noticeable at Starbucks, which provides an experience well beyond a mere cup of coffee. Howard Schulz, the CEO, said almost 30 years ago, “I walked into my first Starbucks and fell in love with the

people, the atmosphere, and the coffee. I knew right then we could make this your ‘*third place*.’” Your first place is home; your second place is work. The “third place” where hundreds of thousands meet every day is the local coffee shop. Even if Starbucks is not your coffee of choice, you probably agree that thousands of social and business relationships begin with a plan to meet at a local coffee shop. It was a brilliant marketing plan and has literally transformed the landscape of North America. In the modern world, generating loyalty and capturing mindshare is infinitely more powerful than a single business transaction.

READING vs. VIDEO

In the 1950s, the newspaper industry was booming and the primary source for news. In the 1960s, Walter Cronkite was considered the “most trusted man in America.” He sat at a desk and broadcast the news, often in 10–15 minute sound bites.

Cut ahead fifty years and the typical news sound bite is 10–15 *seconds*, often with a ticker news stream feeding at the bottom and a window with a “special reporter” (or more) talking (or shouting) to the news “anchor”. News is delivered via online video sources instead of reading. YouTube is the second most popular search engine after Google. If you want to keep prospects and clients interested, produce short, interesting videos that tell your story creatively. Be concise and compelling.

WAITING vs. SECOND PLACE

The most important change in sales reality has become the method for capturing mindshare. In the old days (say the 1990s), you could fill your sales pipeline by advertising and waiting for the phone to ring. If a prospect called, you hopefully closed the deal. If not, no worries; the phone will ring again.

In the 21st Century, you still advertise and wait for the phone to ring. The difference between the 1990s and today is that you must capture the information about your prospects and, in the event they don't become an instant client, continue the dialogue. People most often choose new suppliers and make buying decisions when they have a problem with an existing supplier. The new key to sales success is to earn "Second Place", the first choice prospects make when they are ready to choose new suppliers. This means that you must gain **permission** to open a dialogue; encourage your clients to **participate** in your marketing message with testimonials and surveys; stop closing deals and start opening **relationships**; use mixed media in your communications that includes **video**; and keep the **dialogue** open with prospects.

THE NEW BRAND COMMUNICATION AUGMENT THE TRADITIONAL

The new Brand Communication has not obsoleted the old. Billions of dollars are still spent in traditional media using old advertising methods. Television, radio and print ads are not obsolete; instead they are part of a newer and more complex system of marketing communication. Effective campaigns incorporate New Brand Communication strategies.

Nor have new Sales Communication tactics obsoleted the old. Modern dialogue has evolved from handshakes and phone calls to e-mails and text messages; but the old methods of handshakes and phone calls are still used.

The only constant we can depend on is change. So embrace the changes and adapt to new methods of brand communication.

To learn ways in which you can leverage the New Brand Communication or discover my other sales theories, please contact me or visit my website:

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