

Book In Search of the Obvious

The Antidote for Today's Marketing Mess

Jack Trout
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Recommendation

Veteran marketer Jack Trout successfully manages to inject new material while belaboring the obvious. To do well, he says, marketers must go back to the basics, even though it’s popular to chase trends and be cute. Marketers are concerned about fancy strategies, high-tech gadgets, quantitative research, entertaining ads and faddish consultants – all a waste of time. Trout says to go back to the core of marketing. Focus on the obvious. That’s what customers really want. What you really need to know is right in front of you, not at the bottom of the data mine. Although Trout pounds away at his thesis, *BooksInShort* finds his book enjoyably informative. He may sometimes seem like a scolding grandfather, but he has clear advice for marketers: Modern society is too complex, and complexity does not help you sell. Instead, he says, marketers should try common sense. It couldn’t hurt.

Take-Aways

- Marketing is in trouble because it focuses on the complex, but misses the obvious.
- Often, the most obvious concept about a product is its best sales message.
- Obvious ideas are understandable, simple, instinctive, timely and easy to explain.
- The goal of marketing is to sell products, not to entertain people, make them feel happy or generate awareness.
- Advertisers don’t realize that people who like ads don’t necessarily buy the products.
- Competitors’ products and brands increasingly look alike and have become commoditized.
- Researchers fail to predict buyer behavior because they use the wrong information.
- When marketers alter a product, the change should be consistent with consumers’ perceptions of the product, the brand’s other products and the brand itself.
- Marketers can sway consumer attitudes by changing the information on which those attitudes rest.
- The other way to change minds is to influence consumers’ perceptions of your competition’s products.

Summary

The Era of Commoditization

Too many brand-name products are slipping into obscurity because they have become commodities. A New York research firm’s study of more than 1,847 products and services in 75 categories found that a mere 21% of the products had features that made them distinct in a way that was relevant to the customers. A study of 48 leading brands found that 40 of them were becoming more alike. When branded products resemble each other, they lose their identity. This leaves them competing only on price, which further commoditizes them.

“Unfortunately, business executives often leave their common sense out in the parking lot when they come to work.”

Growing commoditization explains why chief marketing officers (CMOs) have job tenures of about two years. Marketing consultants have written books and hit the speaking circuits to explain this rapid turnover, but their messages have become increasingly vague and redundant. The problem is that they are misdiagnosing what is wrong with marketing: the tendency to overlook the obvious.

“Common sense is wisdom that is shared by all.”

If you are a marketer who wants to sell a product, nothing is wrong with a simple, obvious approach. This is not a new concept. Robert R. Updegraff first presented it in 1916 in a short book called *Obvious Adams: The Story of a Successful Businessman*. He said that good ideas are obvious when they are:

- Simple** – The right solution to a problem will be plainly apparent. Too often, people seek complex solutions, when simpler approaches would resolve their issues.
- Understandable** – Obvious ideas agree with human nature. The solution should be readily understandable to everyone you meet in daily life, but the idea’s

“simple reality” should not be foolishly simplistic.

- **Easy to explain** – An obvious concept is easy to write in brief. The right idea should be simple to say in short words assembled into short paragraphs. If you cannot express the idea succinctly, it probably is too complex to be understood or easily implemented.
- **Instinctive** – People should see the idea’s merit quickly. Their first reaction should be, “Why didn’t we think of that?” If people react slowly or ask for explanation, revisit the idea: It is too complex.
- **Timely** – If you develop a concept that is ahead of its time, prepare to introduce it when the market is ready – when consumer demand warrants it. Good timing is critical.

“Business complexity is fed by the ever-increasing amount of information that is being piped into the business world.”

In many cases, the obvious solution is a matter of common sense. But because people distrust their own feelings, they complicate solutions. Common sense doesn’t require any special technical knowledge. Anyone can appreciate a good idea.

Unfortunately, the commercial world tends to devalue and avoid common sense. Many economists rely on jargon. They theorize that people are rational buyers and sellers. Researchers try to predict consumer trends based on models, but fail because they use inaccurate data. For instance, Xerox’s strategists relied on research that said the offices of the future would be totally automated and linked via computers. Therefore, they decided that Xerox should enter the computer business just when it would have been better off remaining a copier company. This mistake cost the company more than 25 years of strategic meandering and billions of dollars. Business schools also are guilty of training students to miss the obvious. They teach jargon instead of demonstrating the clear utility of common sense. To appreciate the obvious, focus on reality, not on your ego. Look at things in context. Listen to others. Be a bit cynical to filter out the prejudices expressed by people who are pursuing their own agendas.

Common-Sense CEOs

A company’s appreciation for the obvious starts with the CEO. Although CEOs must evaluate mountains of information, they often lose sight of a simple precept: The customers’ perceptions dictate results. Executives can influence a company’s direction, but when a customer’s mind is made up, changing it is very difficult unless you can change the foundation of that opinion or how the customer sees your competitors. A former General Motors CEO once expressed the concern that GM’s number of brands was “a little confusing.” He should have heeded his own common sense, because, years later, the marketplace confirmed his observation.

“While...marketing folks are trying to figure out how to be everything to everybody, category after category is slipping into commoditization.”

In addition to consumer pressure, Wall Street pushes companies to expand, even when growth does not make good business sense. Krispy Kreme stock rose and fell quickly as the company overexpanded to meet Wall Street’s damaging demands for dramatic growth.

A lot of businesses also are led astray by confusing research that produces false assumptions. For instance, marketers confuse higher product or brand awareness with increased sales, but the two factors are not connected. People are aware of GM cars, but they do not necessarily buy them. Segmentation studies identify overlooked parts of the market, but do they explain whether those segments are worth pursuing? Research also is subject to fads, such as visual ethnology (observing how consumers interact with a product) and galvanic skin testing (tracking consumer interest through the skin’s electrical currents), which are not predictive. Research works when it delivers a quick picture of how customers view your product and your competition. Analyzing the customer’s deeper thoughts is not helpful.

Re-Evaluating Technology

Too much technology impedes progress because it does not allow people the quiet time they need to think. People tend to react to e-mail messages quickly and to depend too much on the latest gadgets. The Internet indiscriminately pushes information to people who increasingly have no time to read it. People also have trouble processing information from different sources. An Australian study found that people can process only four inputs or variables at once. If they receive more than that, their brains can’t continue processing information or recall it later.

“Most advertisers and their agencies are creating advertising designed to entertain, not to sell.”

Acknowledge that you – and your consumers – cannot remember everything. Learn to delegate and be selective in what you read. Purge your e-mail to lessen distractions. One British study reported that “infomania,” the excess use of cellphones, instant messaging and e-mail, could cause more mental disorientation than smoking marijuana. Constant distractions, such as calls and text messages, lowered people’s IQ test scores 10 points. The same study found that people become addicted to checking e-mail, and do it on weekends and after work.

“In all my years in the business, I’ve never seen a marketing person come into a new assignment, look around and say, ‘Things look pretty good. Let’s not touch a thing’.”

The Internet has facilitated word-of-mouth and “buzz” marketing, which are not new concepts. Both are variations of third-party endorsements, which have credibility for some products, but not most. Marketers cannot control what people say, so if the product has a negative reputation, that will become the subject of buzz marketing. If marketers tie buzz marketing to other marketing tactics, it can produce some results. But focus on the outcome. Marketing’s main goal is to sell products, not to entertain people, make them feel happy or generate awareness.

That Ad Made You Laugh, but Did It Make You Buy?

Since marketing is off track, advertising also has lost its way. It entertains, but it does not sell. Even if people like ads, such as those for beer or cola, they don’t necessarily buy the touted products. Nor do people connect slogans with brand names, since brands are so commoditized. Now, a slogan only adds to the clutter. That’s a pity, because effective slogans evoke powerful brand connections (for example, “It’s the real thing” or “Diamonds are forever”). Advertisers should highlight their product’s key differences to the competition.

“The bottom line: Meaningless slogans are like a virus that is undermining the world of marketing.”

Agencies make the problem worse by elevating creativity above advertising’s basic purpose: selling. When a client engages an agency, the agency’s job is to help sell that client’s product. Its creative role is to devise the best sales strategy, be objective and position the merchandise – not to make cute or entertaining ads. Product placements and buzz are distractions. When Oprah Winfrey gave away 200 Pontiac G6s on her show, it generated tremendous publicity, but poor sales. To get buyers’ attention, agencies should dramatize the product’s strategy. The advertising industry’s creative awards (Clio and Cannes) mislead the people who produce ads into thinking they are film directors. Instead, an agency’s biggest reward should be the continued client relationship.

Strategic Hits and Misses

Marketers make a mistake when they tamper with established success and defy their brands’ inherent characteristics. How else can you explain iced beer (beer is not served over ice), McDonald’s pizza (the chain is famous for hamburgers), blue Prell shampoo (Prell is green) and the \$60,000 Volkswagen Phaeton (Volkswagens are affordable). When marketers alter their products, the change should be consistent with consumers’ perceptions of the brand and the company’s other existing products. At the same time, inside dominant brands, marketers often mistakenly push products without clearly differentiating their individual advantages and disadvantages for the consumer. General Motors’ Buicks, Pontiacs and Chevrolets are presented as being more alike than different. Marketers must become better strategists, by:

- Being aware of what the competition is doing. That affects your customers’ positive and negative perceptions of your products. Learn their views. Plan accordingly.
- Determining what uniquely separates each product from your competition’s products.
- Proving and defending what makes you different – this also builds credibility.
- Showing and telling people why you are different. Make your sales materials look distinctive. Be sure your employees know what makes your company exceptional.

“I’m beginning to think that many of the marketing mistakes you read about are caused by the simple fact that many marketing people are hopelessly confused.”

Marketers should stick to the basics, which means focusing on a constant or unique message. Follow a “coherent marketing direction,” so every element of your marketing (advertising, pricing, products) focuses on a main differentiating idea and moves in unison. That is one aspect of a complex process. The next step – changing people’s minds – is more challenging, but possible. You can change “belief systems” and attitudes if you alter the information on which the beliefs rest or if you alter the public’s perception of your competition. A 30-second commercial can’t do it alone. Tylenol changed the public’s concept of its competition by showing aspirin’s deficiencies. Stolichnaya vodka became famous for being made in Russia, not in the U.S. These campaigns changed public perceptions by highlighting competitors’ weaknesses.

“Sometimes I wonder if the advertising industry has lost touch with the meaning of advertising.”

The Brazilian beer market offers another example of the power of changing public perceptions. Brahma and Antarctica were in a close race to be the nation’s top-selling beer. Brahma began advertising that it was already Brazil’s best-selling beer, even though that was not true. Beer drinkers reacted positively and began buying more of it. Soon, it actually became the top seller. The lesson: Perceptions can change reality. In fact, perceptions also can dictate reality. In the U.S., if you tell your friends you bought a Honda, they’ll ask, “Did you get a Civic or an Accord?” But if you buy a Honda in Japan, your friends will ask, “What type of motorcycle is it?” In Japan, Honda is better known as a motorcycle manufacturer than an automaker.

“Marketing and innovation produce results; all the rest are costs.” [– Peter Drucker]

Being a category leader has distinct benefits. A study of 25 top U.S. brands beginning in 1923 found that 21 of those brands still lead their respective categories. When it comes to dividing market share among brands, experts say the leading brand has the majority of the market share, the second-place brand has half of that share, the third-place brand has half the second-place brand’s share, and the fourth-place brand has half of the third-place brand’s share. This puts the fourth-place brand in a precarious position.

“Ross Perot, in a visit to the Harvard Business School, observed, ‘The trouble with you people is that what you call environmental scanning, I call looking out the window’.”

Even though marketing has traditionally focused on products and services, larger organizations can use it too, including nations. For example, the U.S. could benefit from a better image worldwide. The U.S. State Department, which promotes the U.S. “brand,” could use freedom and safety as selling propositions, and could conduct the sales effort through diplomacy. Although the State Department actively promotes U.S. interests, that task needs a diplomatic push and should stress the obvious. After all, that is the crucial element of successful marketing.

About the Author

Jack Trout is president of the consulting company Trout & Partners. His client list includes major corporations and the U.S. State Department. He is the author of several marketing books, including *Differentiate or Die*.
