

## *The Fall of Advertising and The Rise of PR*

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In summarizing this book, I can most easily complete my task by simply referring to the title. The age of advertising, Laura and Al Ries claim, is past. While advertising once was an effective way to convince consumers to buy new products, it is no longer. Advertising is simply too prevalent, and advertisements trusted too little, to work effectively as a means of introducing new brands. While advertising still serves an important function, it no longer serves a dominant one. Public Relations, the ability to generate publicity and discussion in the media of your product, is the best and perhaps the only way to truly and successfully launch a new brand.

The authors of this book are heavy-hitters in the advertising community. Al Ries was one of the originators of the idea of *positioning*, that successful branding means insinuating a product and its benefits into a consumer's mind. He and his daughter Laura Ries run Ries & Ries, a marketing firm based out of Atlanta. They still seem to believe in the primacy of positioning as a marketing theory. They simply believe that advertising is no longer the best means of reaching this goal.

Look at Starbucks. A brand that for many years used no advertising whatsoever, Starbucks has mushroomed from a small coffee chain run by a couple of hippies in Seattle to a hulking behemoth of specialty coffee. How did it do this? It started out as an edgy, hip place to hang out, popular among the young and attractive. They emphasized the quality of their coffee, cultivated a very sophisticated, bohemian image, and quietly spread their reach across the country. As they became more and more proliferate, a buzz

began to grow, and the media began talking. They were the first of their kind, a specialty coffee store, and so captured the attention of the media as well as that of the average consumer. The buzz only grew and grew, and so did Starbucks. Their growth was not only despite of, but assisted by a lack of advertising.

People do not trust advertisers. In a survey entitled “Public Perception of Honesty,” advertisers are listed between insurance salesmen and car salesmen. This is not a positive comparison. However, journalists, and journalists’ opinions, are more or less trusted. PR marketing depends upon using third sources to sell products – Going through trusted intermediaries rather than going straight to the consumers. An example would be if Pepper’s Pizza, rather than putting an ad in the DTH about how delicious their pizza is, sent their new Gazpacho Pizza to the City Editor, with an accompanying press release about the inspiration behind it. The editor, finding the story and concept interesting, runs an article on it, and Pepper’s suddenly has a trusted public advocate selling their product to the Chapel Hill community. While people do not trust advertisers, journalists are still trusted, for the most part.

They start off arguing that advertising is more like corporate art than anything else. Ad men no longer try to sell products, they try to win awards. They seek creativity rather than sales figures, and what is lauded and what works are quite often two different things. If a company launches a new, 500 Million dollar ad campaign, it often won’t mean a corresponding rise in sales. In the case of companies like General Motors or Budweiser, it actually might mean a company with flagging sales and a lack of inspiration.

It doesn't matter how creative or original an ad is. Ads lack credibility. People do not trust corporations. A telling example from the book is what corporations do when bad publicity comes their way. Running ads won't solve the problem; after an airline loses a plane, it will generally cancel ads for a month or so, just drop off the radar. You can't advertise your way back into the public's good graces. All you can do is hope they forget, which they hopefully will. The corporations who protest too much generally know they're wrong.

There are four essentials to a good PR Campaign.

1. The slow build-up: Buzz slowly grows concerning a new product. In the case of the Segway Scooter, an example from the book, a steady stream of media leaks and mysterious nuggets of information from prominent newsmakers enticed and excited the public. And once a story enters the media, it will insinuate itself throughout the media. A story in the Wall Street Journal, a credentialed news source, will appear in the USA Today and TV, less credentialed news sources. A story in the *New York Times*, a very credentialed news source, will appear everywhere. PR stories move up and down the media ladder.
2. A new category. Sure, before Starbucks there had been plenty of cafes that served really good coffee. Seattle was actually littered with them prior to Starbucks. However, Starbucks was certainly the first such café to actually seek out publicity. It's the principle of pre-empting. It doesn't matter if everyone steam-cleans their bottles if Schlitz says something first, just as Papa John's launched itself as a gourmet pizza chain, and Little Caesar's launched itself as a cheap pizza chain.

3. A new brand name. The book talks at length about the perils of trying to extend your brand name to cover new products. It makes much more sense to have a brand mean something very tangible to a consumer, such as razors for Gillette, rather than for it to mean many things, like razors and toothbrushes. It's best for a brand to mean one thing strongly rather than many things weakly.
4. A credentialed spokesperson. I would say this includes corporate CEO's, some of whom certainly function as spokespersons. Examples would be Larry Ellison of Oracle and Richard Branson of Virgin. A spokesperson should be charismatic, persuasive, but most importantly, trustworthy. Tiger Woods selling golf clubs? Sure! Michael Jordan selling basketball shoes? God yes. And similarly, Larry Ellison is perfectly suited as the spokesperson of his company. Again, using the example of the Segway, its inventor was a highly credentialed inventor prior to launching the Segway. He had invented devices helping the disabled to move around, as well as a life-saving stent for blood vessels that Dick Cheney had used upon him to save his life. Saving a vice-president, even an unpopular one, is a surefire way to gain credibility.

Zara is another example of a brand that got its start and its popularity through Public Relations publicity rather than advertising. Their innovation in the marketplace was a "just-in-time" system of inventory management that emphasized fast turnover and small in-stock inventory. This way they could rapidly adapt to new and evolving fashions. This is the sort of thing that you can't just tell the public about. If you say that your fashions are up-to-date, then the public will assume you're lying, because all companies say this

and it is rarely true. However, non-traditional publicity generating techniques, such as viral marketing and Public Relations are a very good way to get this idea across. And indeed, now the brand is thriving in Europe and fast coming across the ocean towards America.

One of the main no-no's that this book proposes is line extension, which is taking an existing brand name and applying it to multiple products. For example, Coca-Cola Blak, a drink which has little if anything to do with Coca-Cola as it is commonly understood. Coca-Cola is a sugary, carbonated drink. Coca-Cola Blak is a carbonated coffee-based soft drink. As the book states, "It's easier to remember one name than it is two or three." They use the example of Dockers. A brand of khaki pants launched by Levi Strauss, they started as Levi's Tailored Classics. This is a mouthful, and it's hard to imagine Levi's Tailored Classics ever meaning khaki's in quite the direct sort of way that Docker's do. Docker's are khakis. Tailored Classics can never, ever mean khaki's in quite so forceful a manner. Besides being a weak way of launching a new product, line extensions also weaken the brand name being extended. Levi Strauss functions much better as a jeans maker than a pants maker. You think Levi, you think jeans. If Levi started making khaki's, jeans, suit pants, and canvas pants all under the name Levi, then Levi's reputation as a jeans maker would suffer. Rather than strongly meaning jeans, Levi would weakly mean pants. Consumers have short attention spans and make simple associations. You don't want consumers to have to ask "What kind of Levi's?" You want them to know exactly what Levi's means. And it's not as if they can't sell other sorts of pants under different brand names.

Companies use line extensions because they're still thinking from an advertising perspective rather than a PR perspective. According to an advertising perspective, it would take a lot of money and media exposure to cram another brand name into consumers' minds. And indeed, it would, if one were to use advertising. Consumers tend to ignore advertisements, and it would take many before they really absorbed the brand name. From a Public Relations perspective, however, a new brand name is exciting and different, and since it will generate publicity, it is actually cheaper than a line extension. Furthermore, it is more advantageous from a positioning perspective as well. The new product can find a new piece of real estate within the consumer's mind rather than sharing the same piece of brain-space with other products. Have you ever wondered why Toyota, Nissan and Honda established Lexus, Infiniti and Acura, respectively? Because the former brands already meant efficient, cheap cars in consumer minds, while the latter brands mean high-end luxury. If you try to introduce a high-end luxury car under a cheap, dependable brand, then you're just going to confuse the consumer. Another car example is Saturn. Chevrolet launched Saturn in order to sell a smaller car for a younger audience, and by introducing it as a new sort of carmaker, they managed to do quite well. They differentiated themselves and their product from the competition in numerous ways, such as encouraging their dealerships to sell at list price, and became regarded as a youngish, hip sort of car, with a rabidly loyal consumer base. Seeking to hold on to their customers as they change, they introduced the L-Series, a larger and more expensive car. Today, the Saturn brand is struggling, and a once dynamic car brand is accused as being sluggish and behind the times. Saturn did one thing, and it did it well: It sold cheap, small cars to a young consumer. But as those consumers grew older and their lives changed, they're

going to buy different cars. Hell, they might buy a Chevrolet. Would you buy a Volvo sports car? Not a chance in hell. Would you buy a Volvo station wagon for you and your family? You very well might.

If a brand gains a reputation for one aspect in particular, then it might as well run with that position rather than trying to sell along different lines. This extends from the concept of associating a brand with one product. Little Caesar's is known for cheap pizza, so it might as well advertise its cheap pizza rather than its hoagies or its coffee. Volvo used to advertise itself for reliability, but as the media and the public latched onto its safety performance, Volvo shifted its focus towards safety. Today, Volvo IS safety, and is considered a great family car as a result. This is also true for educational brands. It's much easier and much more useful to be known for doing one thing well rather than being known as well-rounded school. The latter is boring and not terribly descriptive. The former is descriptive and exciting. UNC is known for its Journalism and Business schools. It's not known as well or its solid liberal-arts background and wide range of academic options. And even if it were, would that actually help it as much as being known for business and journalism? Similarly, MIT actually has a half-decent English program. But what is it known for? For being an extremely good technical school. Do consumers a favor and give them less to remember rather than more, and you'll be doing them and yourself a favor.

The names of brands are also important. What does Oldsmobile mean? A car for the elderly. What gives you that idea? The first three letters? Similarly, what does Schlitz sound dangerously close to? Oldsmobile should probably not attempt a youth-market car, and Schlitz probably should have considered a name change. Your brand name should

follow logically from your main product. As an illustration, the authors propose name changes for geographic regions. Take Guatemala. Guatemala was once home to the Maya, an ancient, advanced people who left great archaeological ruins which should be of much interest to tourists. So why not change the name to Guatemaya? Or why not change the name of Cuzco, home to Macchu Pichu, to Ciudad De Las Incas? Cuzco is a name that doesn't sell the city at all and means nothing. Ciudad De Las Incas would not only be more memorable in the minds of tourists, but both changing the name and the name itself would be a great centerpiece for a publicity campaign.

While Public Relations is useful, there is one thing advertising is capable of doing which Public Relations is incapable of: Maintaining brands. Once a brand takes a leadership position and is established, it is quite unlikely to receive any further publicity; there's simply nothing new about it. Therefore, having established your product in consumers' minds, you should use advertising to keep it there, to remind them that you're still around, still selling, and remind them of all the favorable publicity they heard when you were first coming out. This solidifies your leadership position, and keeps the competition from encroaching on your market share. Thus, while they would argue that advertising is mostly incapable of serving an offensive role, it is entirely necessary in its defensive role. Take Body Shop. Offering all-natural cosmetic products, Body Shop was the first of its kind and generated all sorts of favorable publicity. However, there was no sustained advertising campaign to follow up on its success. The brand has now lost its leadership position to newer competition.

Advertising and Public Relations also work well in tandem. The book uses the example of Volkswagen. From 1949 to 1959, a buzz had slowly been rising about

Volkswagen, this “small, ugly, reliable” German car company. By 1959, with a decade of favorable publicity and Bernbach’s now-legendary ad campaign, Volkswagen was the best-selling imported car in the United States.

Advertising should re-enforce and confirm what consumers already believe. Rather than trying to make brands mean new things and utilize a creative approach, advertising should appeal to what the brand already means to consumers and make it mean that, more so. Budweiser is an old, well-established brand, but one that is facing increasing competition from micro-brewers and other national beer brands. Rather than utilize a creative approach (the award-winning “whassup” and various animal-spokesperson campaigns,) it should reinforce what the consumer already thinks of: The King of Beers, the quintessentially American beer. Their advertisements should appeal to this sense of nostalgia. Advertising can’t make a brand mean something new, but it can strengthen what a brand already means. In this respect, advertising still serves a critical purpose. Red Bull energy drinks, when they started out, advertised not at all. Now, they advertise constantly. This is because they have taken a dominant position within the energy drink market and consumers already have an idea of what Red Bull means. Viagra is another example. Viagra received an unbelievable amount of publicity when it first launched. Now, it’s established, and there is a great deal of competition, so Pfizer, the maker, spends roughly \$90 million in advertising in order to maintain their position.

Of course, the authors caution, advertising can only do so much. If the trend is for decreased consumption of your product, then you can’t advertise your way out of the problem. If people aren’t driving SUVs anymore and you’re an SUV company, then you probably want to focus on a new brand that can mean small cars rather than trying to

change your old brand to mean something new. It's much easier to make a new association rather than change an old one.

Advertising is also useful for products which by their very nature receive very little publicity, or little favorable publicity; things such as candy, cigarettes or grain alcohol, which much as we love them, are rather bad for us. Altoids used a witty ad campaign and a new product category (extra strong mints) to get their product going. Skyy vodka claimed (rather dubiously) to be the non-hangover vodka. This received rather negative publicity, but the publicity it did receive merely reinforced what their Unique Selling Proposition was: hangover-free vodka.

The book points out the key differences between PR and advertising as marketing tools. They are as follows:

1. PR Convinces, while Advertising directs. Advertising tells you that a drink has a great taste and is less filling. PR tells you how the drink has become the latest craze among diet-conscious young women. It's the second approach that's going to actually sell the drink.
2. Advertising sets out a goal and seeks to accomplish it. Much like a military campaign, it exists in a certain sphere, and seeks to do certain things. PR is linear, and rather more organic. It develops, and you're never quite sure for how long or for in what direction.
3. Advertising smashes you over the head, while PR insinuates itself. Advertising campaigns, in order to be effective, must have several exposures. Thus, it works best in bursts, in order to get through to consumers. PR, on the other hand, takes a

long time to build momentum and get through. A good PR campaign will begin with whispers and, slowly developing, end in crescendo.

4. Advertising is visual, while PR is verbal. Pictures are attention-grabbing, which is the main point of advertising. PR, on the other hand, is verbal. It's a convincing argument. It's what you actually think when you're making a decision.
5. Advertising is self-directed, while PR is other-directed. Advertising is launched by the company, and in the hands of the company. For PR, you're putting your fate in the hands of the media and positive publicity. All you can do is coax and guide it in the direction you want it to go. And if it takes you in a different direction, then you have to go there. Volvo used to emphasize its durability, until the media jumped upon its safety. Then Volvo emphasized its safety.
6. Advertising lasts a little while, PR while stick around. You run an ad, and except in rare cases when it becomes a sensation, such as the "whassup" Budweiser campaign, it ends. PR campaigns filter through the media, moving on to different mediums. They get talked about.
7. Advertising is expensive, while PR is cheap. This is also why corporation focus so much on advertising and so little on PR. When you're spending \$400 million on advertising and \$5 million on PR, you're going to pay more attention to your advertising campaign, even though your PR campaign might end up doing a lot more good.
8. Everyone hears an ad, while your target consumer hears a PR campaign. A wine ad is going to hit beer, liquor and non-drinkers. An article about an exciting

- vintage is going to reach the people who will read that article, which are wine drinkers.
9. Advertising likes line extensions, while PR prefers new brands. This has already been covered. It's much cheaper to keep the same brand for advertising purposes, but a PR campaign around a new brand is going to generate much more buzz. This also means that Advertising likes old names while PR likes new ones. A PR campaign is helped if its new product requires an explanation. For advertising, it's just more information you have to make the consumer pay attention to.
  10. Advertising relies on humor and entertainment, while PR simply delivers information. PR is predicated upon the idea that the consumer is going to be interested. Advertising is predicated upon the idea that you have to make the consumer interested. Thus, humor.
  11. Advertising is uncreative, while PR is creative. PR has to position its product to appeal to consumers; position itself in their minds. Advertising just tells them that they're interested.
  12. PR is credible, Advertising is not. This is simply a matter of trust. PR campaigns utilize trusted sources. Advertising, as previously discussed, is not trusted.
  13. Advertising maintains the brand, PR builds it.

The book ends with three post-scripts: One for management, one for P.R managers, and one for advertisers. The one for management stresses that the dominant ideology in marketing should not be advertising, but PR. Public Relations gets the ball rolling, advertising just keep its rolling. In addition, they stress that creativity is overrated.

Advertising should not have creativity as its first goal. Advertising's goal is to serve a buttressing function, keeping the brand in the minds of consumers rather than putting it there. For Advertisers, they basically tell them why theirs is the dominant ideology. As the more well-established and well-monied of the two disciplines, advertising reins foremost in the minds of marketers because that's where the money is, and that's where they're told the influence is. And lastly, for Public Relations, they remind that the brand is the end-all be-all of a business. Industry serves a secondary purpose to design and marketing. And since PR is about putting the brand in consumers' minds, PR men and women need to remember to take as active a role as they can in brand management. Advertising hasn't fallen, as the title states, but PR has certainly risen.