



# IS MARKETING ROI BECOMING “RETURN-ON-IDEOLOGY”?

by John J. Lewis

Increasing the effectiveness of our marketing dollars  
will require us to go far beyond today's dialogue

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We all know the famous quotation from merchant John Wanamaker about half the money he spent on advertising being wasted, but having no idea which half. Today, some marketers are proclaiming the end of the 30-second commercial because “neither half” of the dollars are working. This is progress?

In an effort to increase the effectiveness and efficiency of marketing, we are collectively pushing ourselves toward a new marketing ideology. This new ideology trumpets the notion that “alternative” marketing programs will save us from the perils of inefficient mass marketing investments.

These new alternatives are now quite familiar, and include everything from product placement to sponsorship to videogame ads, plus even newer media

entries. Google, Yahoo, and others are changing the equation with novel offers of data trails, and direct-response capabilities. Marketers, agencies and content publishers are hailing the new tools and technologies as the best course for achieving more marketing efficiency and effectiveness.

Now, there is no doubt that the marketing environment is changing rapidly, and that we need to make significant changes in the marketing mix, as well as in marketing strategies and tactics.

However, we must examine and evolve our debate about return-on-investment, and make sure “ideology” doesn't unduly influence the “investment” part of the equation. To put it bluntly, we know far more about what works today than we sometimes recognize or acknowledge. The corollary

is that we know much less than we think we know about some of the new marketing vehicles.

For example, is it so surprising that runaway hits like iPod, American Girl Stores, ESPN, Starbucks, and Google—to mention a few brands, products, and/or services—are so successful in getting their marketing messages out? In fact, many of these brands succeed without much spending against any of the vehicles, new or old. These are simply well-targeted, innovative, and well-executed propositions that give any of their marketing efforts high returns.

The same story applies to companies that are excellent in choosing their messages and their targets—they get a higher return on marketing. Whether it's Nike, Gatorade, or Las Vegas Tourism, brands that know exactly who they are talking to and are knowledgeable and clear about what

even where people rely on more informal or even intuitive assessments of return, we all can recognize when a campaign or a product really moves the business. Unfortunately, we don't see it enough—so we rail against the vehicles, not the underlying marketing.

If we are to set sail on a course for real increases in return, we must start with an honest and thorough dialogue about what we know today. The first thing we know, but that gets very little hype in this debate, is that marketing ROI is really a strategic conversation.

Instead, we tend to debate the tactics—like whether TiVo is the end of the ad, or whether product placement is a better way to sell our brands—much more than the strategic issues. We need to reexamine the building blocks of our strategic initiatives.

If we have not done a good job of developing our strategic thrusts, then we are doomed to continue complaining about the effectiveness of the tactical vehicles. In fact, there is no doubt that some of the noise on lack of understanding of marketing return and various marketing vehicles results from sheer defensiveness and ignorance over campaigns that are not selling clearly

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messages they are trying to deliver get high returns on marketing. They get high returns on traditional media, and they get great returns on any promising new medium, as well.

Many businesses have sophisticated marketing mix analysis informing their marketing-return assessment. However,

delineated propositions.

Simultaneously, we are much too quick to claim that we understand the new marketing world; as a result, we are ready to throw traditional vehicles overboard at the first sign of payback or even excitement.

What do we really know about product placement? Not much. And some influential

marketers think it is not a sustainable vehicle once the novelty wears off. How well do we scrutinize sponsorships? Do we really understand paid-search and Internet advertising and promotion when 90 percent of the activity related to most searches happens offline and has a significant lag from the original search? Don't get me wrong, many of these vehicles, especially online plays, are very important to marketers today and will be even more so in the future. But why are we so superficial in our assessment and the subsequent debate?

Lest anybody think that my solution is simply more measurement and new research, the John Wanamaker quotation could easily be applied to the marketing research and data mining dollars spent by today's corporations. We also must face up to the state of the data and knowledge base if we are really going to find a new level of marketing ROI.

We must reinvent the marketing information process so our efforts go to updated, truly insightful analysis of the marketing world we are facing today and tomorrow.

We need to be able to untangle the choices consumers are making and the interactions between our offerings, our messages, and our marketing tactics. The best teams at painting this picture and acting on it will win the consumer game. Others will continue to track and mine their traditional information bases, and will not see the incredible volatility beneath the surface of these information vehicles. It's up to the marketing information professionals

to make certain that we make research and data more valuable, not just more plentiful.

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So, when you read the next (and hundredth) article about whether TiVo is the death of advertising or not, don't fall into the trap. If your marketing propositions and messages are effective, you will find a way to adapt to the TiVo world; if they aren't effective now, TiVo will only bring on more problems. The answer lies in really understanding return—present and future—and getting the strategic targets, innovations, and messages right, not just focusing on the sexy side of the right mediums.

We really have just two choices: get the strategic understanding and strategic marketing right, or rely on the instincts of the CMO and CEO to overcome a soft foundation. We would all like to have Steve Jobs sitting in that chair at our company to feel comfortable that visionary leadership will save the day. However, with all due respect to the rest of us mere mortals, we had best focus on getting the strategic focus on marketing return right. ▀

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